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ABSTRACT

This reprint of a chapter from the annual comprehensive Presidential report on the nation's manpower problems and federal programs discusses: (1) major legislative developments, (2) program evolution and innovation, (3) meeting the needs of special groups, (4) administering and delivering manpower services, (5) strengthening the unemployment insurance system, (6) programs for veterans and servicemen, and (7) equal employment opportunity. Revenue sharing, decentralization, welfare reform, and occupational health and safety constitute major areas of Presidential concern. Programs for the disadvantaged, the handicapped, and for minority groups are delineated focusing on job training and program improvements. Various tables present the data. (AG)

ED 067453

NEW DEVELOPMENTS IN MANPOWER PROGRAMS

A REPRINT FROM THE

1971 MANPOWER REPORT OF THE PRESIDENT

U.S. DEPARTMENT OF LABOR

VT 016 449

The President sends to the Congress each year a comprehensive report on the Nation's manpower problems and programs, as required by the Manpower Development and Training Act of 1962, as amended.

This is a reprint of the chapter on New Developments in Manpower Programs from the 1971 report, which was prepared by the Department of Labor.

The full Manpower Report of the President may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402 for $2.50 per copy. Information regarding reprints of other sections of the report may be obtained at the locations listed on the inside back cover.

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1971 MANPOWER REPORT OF THE PRESIDENT

U.S. DEPARTMENT OF LABOR
J.D. Hodgson, Secretary

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NEW DEVELOPMENTS IN MANPOWER PROGRAMS

In his 1972 Budget Message, the President proposed revenue sharing—by the Federal Government with State and local governments—in manpower training as well as several other special fields, so that States and localities can plan and carry out the combination of programs best suited to local needs. The manpower legislation recommended by the Administration ties reform of federally assisted training and work support programs to this broad goal. It would substitute Federal financing of locally planned and administered programs, which could vary widely from State to State and area to area with respect to the types of manpower services provided, for the present array of narrowly focused programs directed by the Federal Government.

Manpower program decentralization to the States and cities was proposed in the original Administration bill submitted to the Congress in 1969, which was one of four legislative measures in manpower and related fields actively supported in the 1970 session. Two of these became law during 1970—the Employment Security Amendments, which represent the most important strengthening of the unemployment insurance system since its establishment 35 years ago, and the Occupational Safety and Health Act, which provides for nationwide standards of safety and health in industry. The fourth was the welfare reform proposal, which, like the manpower bill, failed of enactment. The Administration regards this greatly needed reform of the country's welfare system—which would emphasize, among other important provisions, increased work incentives and training of welfare clients who are potentially employable—as the most important domestic legislation to be advanced in a generation.

This chapter opens with a brief discussion of these legislative developments, both accomplished and recommended. The remainder of the chapter is concerned with the efforts made in 1970 to improve the administration and coordination of manpower training and related programs.

The evolution in training and work-experience programs during the year is analyzed first, in the light of enrollment trends. Three directions of action on these programs which assumed growing importance in 1970 are then discussed—the innovations and changes of emphasis introduced in response to the economic slowdown, the persistent search for higher quality and effectiveness in youth programs, and the first steps toward an enlarged program of upgrade training to help disadvantaged workers move out of dead end jobs. Experience during the year demonstrates that manpower programs are an adjustable instrument, which can serve the needs of the Nation's work force in periods of economic adjustment as well as in years of business expansion and strong labor demand.

Progress during 1970 in meeting the needs of particular disadvantaged groups is another important aspect of program action considered in this chapter. A rapid buildup of the WIN Program for welfare clients was accompanied by an evaluation of this program's accomplishments and shortcomings. This evaluation both attests to the need for the proposed welfare reform and provides guidelines which should be very helpful in planning and operations under the new system. In addition, enlarged training programs for offenders were undertaken, as part of a broad attack on crime and recidivism; the question of whether and how manpower programs can help to deal with the problems of drug addicts and alcoholics was

given new attention; and vocational rehabilitation of the handicapped set a new record in levels of service.

The new Jobs for Veterans Program launched by the President in late 1970 and other special programs for veterans and servicemen are still another area of action discussed. The chapter also contains brief analyses of progress made in administering and delivering manpower services and of the notable advances in strengthening the UI system. The chapter concludes with a summary report on the efforts made and accomplishments recorded in achieving equal employment opportunity for the Nation's minority groups.

Major Legislative Developments

The *Employment Security Amendments*, passed by the Congress and signed by the President in August 1970, strengthen the Federal-State unemployment insurance system in three major respects. First, they greatly extend UI coverage; in 1972, when the amendments are fully effective, they will add 5 million jobs to the 60 million in which workers are now protected by unemployment insurance. Second, they authorize needed strengthening of the system's financing. And third, they provide for automatic extension of unemployment insurance in periods of increasing joblessness, by increasing the maximum duration of benefit claims when the rate of insured unemployment rises above a specified level. This trigger provision will not go into effect nationally until the beginning of 1972. However, several States with high unemployment rates passed needed enabling legislation and started paying extended benefits before the end of 1970. The new UI amendments, as well as other recent developments in the program, are discussed more fully later in this chapter.

The *Occupational Safety and Health Act of 1970*, which will contribute to the safety and health of approximately 57 million wage earners in more than 4 million establishments, was signed by the President in the closing days of 1970. The basic purpose of the act is to reverse the steady rise in industrial injury rates. In particular, it should help reduce hazards in industries with exceptionally high rates of injuries per million employee-hours. (See chart 8.) Funding of $11 million has been made available to implement the act in fiscal 1971 and $25 million has been requested for fiscal 1972.

Safety standards are to be set and issued by the Department of Labor. "National consensus standards" must be promulgated by the Secretary of Labor not later than April 1973, 2 years after the act's effective date—following proceedings which will give all interested persons a chance to present their views and subject to other safeguards. In addition, the Secretary may issue temporary, emergency standards where there is grave danger to workers from toxic agents or new hazards. Employers must not only comply with the standards set but also, under the "general duty" provision of the act, furnish places of employment free from recognized, serious accident and health hazards.

When investigations by the Department of Labor show violations of standards, the cases are to be referred for hearing to an Occupational Safety and Health Review Commission, responsible to the President. The Commission may assess fines of up to $1,000 per violation for each day the violation continues uncorrected. In addition, civil and criminal suits may be brought against employers, with penalties for violations ranging up to $20,000 in fines and a year's imprisonment in criminal cases involving a willful violation which results in death.

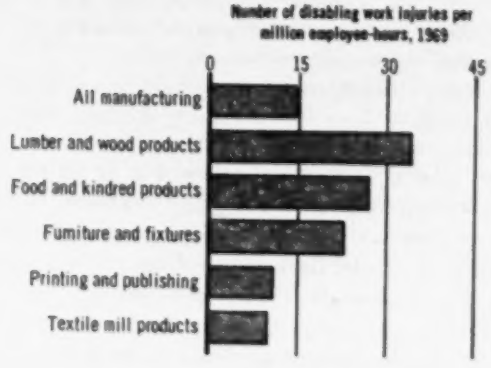
States may set and enforce their own standards, upon approval of State plans by the Secretary of Labor. The Secretary may make grants to States to help them in developing such plans and in improving the administration of their occupational health and safety laws.

Other provisions of the act include:

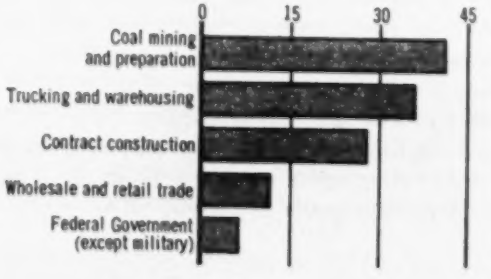
—Authorization of research and experimental and demonstration projects relating to occupational safety and health, to be conducted by the Department of Health, Education, and Welfare in consultation with the Department of Labor and other agencies.

CHART 8

Manufacturing industries with highest injury frequency rates are lumber, food, and furniture . . .



. . . but rates are even higher in coal mining and trucking and warehousing industries.



Source: Department of Labor.

—Authorization of loans to small businesses to assist them in complying with the standards set under the act.

—A requirement that Federal agencies conduct programs consistent with the standards developed for private industry.

—Establishment of a National Commission on State Workmen's Compensation laws to study and evaluate these laws and report to the President and the Congress by July 31, 1972.

Comprehensive new manpower legislation has been sought by the Administration since 1969, in the conviction that significant improvement in the planning and operation of manpower programs demands a thoroughgoing reform of the manpower system. A proposed new act, designed to replace both the Manpower Development and Training Act and the relevant provisions of the Economic Opportunity Act, was submitted to the Congress in mid-1969.[1] And a bill passed by the House of Representatives in the latter part of 1970 adopted many of the recommended features, including provisions for flexible use of manpower funds in the light of local requirements, a responsible role for cities and States in program planning and administration, and a program of transitional public employment opportunities designed to prepare disadvantaged workers for regular Government or private jobs. Despite reservations about some provisions of this bill, the Administration endorsed it.

The manpower bill adopted by the Senate was, however, unacceptable to the Administration, as was the compromise bill finally passed by the Congress in the last days of the 1970 session. In his veto message, the President objected to the bill's authorization of large-scale funding of permanent jobs in the public sector, with no requirement that these jobs be linked to training or the prospect of other job opportunities. He also opposed the provision which not merely continued many narrow-purpose categorical programs but actually increased the number of such programs.

The proposed Manpower Revenue Sharing Act of 1971, recommended to the Congress by the President in his message of March 4, 1971, reaffirms the Administration's commitment to decategorized programs and decentralized administration—in the context of revenue sharing with State and local governments. The bill's major provisions are set forth in this message, which appears at the beginning of this report.[2]

The *welfare reform bill*, submitted by the Administration to the Congress in 1969, would es-

[1] For a synopsis of the act recommended by the Administration, see the *1970 Manpower Report*, pp. 83–85.

[2] The text of the proposed Manpower Revenue Sharing Act of 1971 is given in appendix B.

tablish an income floor for every American family with children and increase incentives for working rather than depending on welfare. However, the 91st Congress completed its term without passing this broad reform measure.[3] In urging the enactment of his welfare reform proposal in 1971, the President said that the combination of a minimum income guarantee with added work incentives and work requirements would ". . . provide each dependent family a new dignity, . . . help State and local governments finance what is now their fastest growing expenditure, and . . . remove one magnet that has already drawn too many persons to our congested cities."[4]

Unquestionably, the need for reform in the welfare system is becoming more acute, as evidenced by skyrocketing welfare rolls. Between 1961 and 1969 the number of families receiving assistance from the AFDC (Aid to Families with Dependent Children) program grew by 85 percent, to 1.7 million. But between 1969 and 1970, in the span of a single year, the growth was 30 percent, to 2.2 million families. Welfare costs increased almost threefold between fiscal 1961 and 1969, to a total of $3.2 billion. In 1970, costs rose to $4.1 billion, and they have increased so rapidly in fiscal 1971 that midyear estimates of needed supplemental appropriations to meet Federal obligations exceeded $1 billion.

The welfare reform proposal, which would totally replace the AFDC program, represents a radically new approach to public assistance for families with children. By allowing families to retain a considerable part of their earnings, the new welfare system would strengthen the incentive to work among welfare clients. Furthermore, the plan includes provision for enlarged manpower training and a direct work requirement—with denial of benefits for the individuals involved as the penalty if able-bodied adults (exclusive of mothers with preschool-age children or other special home responsibilities) refuse suitable work or training. Increased opportunities and funds for child day care would also be provided to enable and encourage mothers to work.

Federal benefit standards would be established for the first time. For a family of four with no income, the minimum benefit would be $1,600 per year plus a food stamp allowance, or $2,200, if food stamps are replaced by additional cash. States which now have benefit levels above the proposed minimum would have to continue their present benefits or meet the U.S. Census Bureau poverty standard, whichever is lower. Unlike the AFDC program, the new plan would provide for payments to the working poor. Earnings for a family of four could go up to $3,920—or slightly higher if food stamps are eliminated—before the Federal payment would be cut off entirely.

To strengthen the work requirement and provide employment opportunities for welfare clients difficult to place in regular jobs or training, a sizable new public service employment program is recommended—in revisions to the welfare reform plan presented to the House Ways and Means Committee by the Administration in early 1971. Such employment would be transitional, not permanent; all projects would be designed to make enrollees employable in regular jobs.

Evolution and Innovation in Manpower Programs

ENROLLMENT TRENDS AND CHARACTERISTICS

Enrollments in federally assisted work and training programs moved up modestly but significantly in 1970—continuing the uptrend which has prevailed ever since Federal involvement in efforts to increase the employability of jobless and underemployed workers began under the Area Redevelopment Act of 1961 and the Manpower Development and Training Act of 1962. In fiscal 1970, enrollments totaled 1.8 million, 4 percent more than the year before, and they are expected to reach 2 million in the current fiscal year. (See table 1.) The President's budget request for fiscal

[3] The House of Representatives passed a bill embodying Administration proposals, but the Senate Finance Committee, after prolonged study and debate, rejected a counterpart bill.

For a further discussion of the welfare reform bill and why it is needed, see *1970 Manpower Report*, pp. 148–58.

[4] *The 1972 Budget Message of the President*, p. 15.

TABLE 1. FIRST-TIME ENROLLMENTS[1] IN FEDERALLY ASSISTED WORK AND TRAINING PROGRAMS, FISCAL YEARS 1964 AND 1969–72

[Thousands]

Program	Fiscal year				
	1964	1969	1970	1971 (estimated)	1972 (estimated)
Total	278	1,745	1,819	2,027	2,194
Institutional training under the MDTA	69	135	130	130	
JOBS (federally financed) and other on-the-job training[2]	9	136	178	226	
Neighborhood Youth Corps:					
In school and summer		430	436	411	
Out of school		74	46	64	[3] 1,205
Operation Mainstream		11	13	12	
Public Service Careers[4]		4	4	39	
Concentrated Employment Program		127	112	113	
Job Corps		53	43	45	
Work Incentive Program		81	93	125	187
Veterans programs	(5)	59	83	115	120
Vocational Rehabilitation	179	368	411	442	385
Other programs[6]	21	267	271	304	297

[1] Generally larger than the number of training or work opportunities programed because turnover or short-term training results in more than one individual in a given enrollment opportunity. Persons served by more than one program are counted only once.

[2] Includes the MDTA-OJT program which ended with fiscal 1970 and the JOBS-Optional Program which began with fiscal 1971.

[3] Relates to the President's request in the 1972 budget for special revenue sharing for manpower training. No enrollments for categorical programs are estimated since, under the manpower reform proposal, States and local communities would be given the opportunity to determine how funds would be used.

[4] Enrollees in the Supplemental Training and Employment Program (STEP) segment of PSC are not included since they have previously been enrolled in one of the other manpower programs.

[5] Included with "other programs."

[6] Includes a wide variety of programs, some quite small—for example, Foster Grandparents and vocational training for Indians by the Department of the Interior. Data for some programs are estimated.

NOTE: Detail may not add to totals because of rounding.

SOURCE: Office of Management and Budget, "Special Analyses, Budget of the United States Government, Fiscal Year 1972," p. 138 (with a few minor revisions in 1970 data for programs administered by the Department of Labor).

1972 calls for an expenditure of nearly $3 billion for manpower training and work programs, including special revenue sharing funds, compared with $2.5 billion this year. On this basis, enrollments in these programs should total about 2.2 million in 1972.[5]

Recent trends in enrollments in individual programs administered by the Department of Labor have been mixed, as shown by the end-of-the-month data in table 2. The number of enrollees in MDTA institutional training projects, which had dropped to a low of 39,000 in October 1969, rebounded to 54,000 in April 1970 and has continued at higher levels. This step-up was due to the allocation of additional funds to the institutional training program, so that it could enroll more of the workers laid off by industry in the course of 1970.

The buildup of enrollments in the Public Service Careers Program was also in part a response to problems created by the business slowdown. At the start of 1970, enrollments were exclusively in the New Careers segment of the program, amounting to only 3,800 in January. But from July forward, they reflected the addition of a new program segment known as STEP (Supplemental Training and Employment Program), designed for workers who have completed training courses, are unem-

[5] The programs covered by these figures are those classified by the Office of Management and Budget as Federal manpower programs. These programs are intended to influence directly the skills and employment opportunities of persons in the work force, or those who desire to be in it but suffer from lack of vocational preparation or other barriers to employment. In general, they operate outside the normal educational process, enroll individuals for less than a year, provide skill training and job opportunities for nonprofessional jobs, and are targeted toward the disadvantaged portion of the population.

TABLE 2. ENROLLMENTS AT END OF MONTH IN MANPOWER PROGRAMS ADMINISTERED BY THE DEPARTMENT OF LABOR, FOR SELECTED MONTHS, 1968-71

[Thousands]

Program	April 1968	April 1969	1970				January 1971
			January	April	July	December	
Total	355.3	433.6	425.6	455.7	743.6	464.7	(1)
Manpower Development and Training Act:							
Institutional training	60.4	56.7	46.5	53.7	50.0	52.1	53.9
On-the-job training/JOBS-Optional Program [2]	38.9	36.9	39.3	43.4	46.7	40.7	40.7
Neighborhood Youth Corps:							
In school and summer	131.9	101.6	103.1	104.6	406.9	103.2	(1)
Out of school	57.6	47.5	32.7	33.3	27.8	35.8	(1)
Operation Mainstream	9.0	10.2	11.3	13.0	12.5	20.6	(1)
Public Service Careers [3]	3.8	3.4	3.8	4.2	5.2	12.2	(1)
Concentrated Employment Program	19.8	70.5	54.9	53.3	45.0	34.7	35.5
JOBS (federally financed) [4]	.....	20.4	36.7	44.5	38.0	41.9	40.2
Work Incentive Program [5]	.....	56.2	77.7	84.9	91.8	103.5	(1)
Jobs Corps	32.5	29.8	19.6	20.7	19.8	20.1	21.5

[1] Data not available at press time.

[2] The MDTA-OJT program ended with fiscal 1970; beginning in fiscal 1971, the program was restructured, with administration passing to the States, and renamed the "JOBS-Optional Program."

[3] Exclusively enrollments in New Careers until July 1970 when trainees were first reported in the Supplemental Training and Employment Program (STEP). Enrollments in the other three PSC options were first reported in November 1970.

[4] Enrollments (12,100) recorded for the first time in December 1968.

[5] Enrollments (400) recorded for the first time in August 1968.

NOTE: Detail may not add to totals because of rounding.

ployed, and would benefit from added training and work experience while waiting for regular job opportunities. By November, enrollments had also begun in three other segments of the PSC Program, directed toward opening work and training opportunities for the disadvantaged in Federal, State, and local governments. Altogether, PSC enrollments totaled more than 12,000 at the end of the year.

The Work Incentive (WIN) Program for welfare clients is, however, the one which has had the most rapid program expansion. By the end of 1970 this relatively new program had become the largest of the manpower programs administered by the Department of Labor (except for the Neighborhood Youth Corps summer program). And it is expected to grow further, to lay the foundation for the new and much larger manpower program proposed by the Administration as part of welfare reform (as discussed elsewhere in this chapter).

The Neighborhood Youth Corps out-of-school program and the Job Corps, with somewhat larger resources in fiscal 1971 than the year before, realized moderate enrollment gains by the middle of the fiscal year. Both these programs have had a major redesign (as discussed later in the chapter).

In on-the job training programs, enrollment trends have been conflicting. The number of enrollees in JOBS-Optional projects (sometimes referred to as "low support" JOBS, because enrollees require relatively little supportive help in addition to a chance for on-the-job training) grew moderately during most of 1970 but dropped again at the end of the year. In the federally supported portion of the Job Opportunities in the Business Sector (JOBS) Program, which is conducted in cooperation with the National Alliance of Businessmen to provide work-training opportunities for the disadvantaged, enrollments fell in midyear and then tended to level off, because of the general reduction in hiring of new employees.

In the Concentrated Employment Program (CEP), which is designed to channel training and other services to people in urban slums and rural poverty pockets, enrollments in fiscal 1971 were well below the levels reported a year earlier. The decrease reflected tightened procedures which had the effect of eliminating from enrollment reports

a number who were receiving little in the way of effective services.

Overall, enrollments in Department of Labor programs reached a new high of nearly 744,000 in July 1970, at the seasonal peak when the NYC summer program was in full swing. They exceeded the previous year's July total by 65,000.

Characteristics of Enrollees

Manpower programs continued in 1970 to concentrate largely on the disadvantaged.[6] About a third of all enrollees were receiving public assistance at the time they entered the program or, in the case of youth in the NYC programs, were from families on public assistance. (See table 3.) The population served was composed overwhelmingly of school dropouts; leaving out of account the NYC in-school and summer programs, about two-thirds of all enrollees had not obtained a high school diploma. High school graduates were substantially represented only in MDTA and New Careers projects, and even there they made up less than half of the new enrollees in fiscal 1970.

Nearly half of all enrollees in 1970 were Negroes, and another 15 percent were Spanish Americans. In Operation Mainstream, JOBS, and the Job Corps, in addition to the large proportions of Negroes enrolled, 10 to 12 percent of the participants belonged to other racial minorities—American Indians, Eskimos, or Orientals.

Women made up nearly half of the enrollees in all programs taken together. They represented 71 percent of the new participants in the rapidly expanding WIN Program, 77 percent in the small New Careers effort to upgrade the disadvantaged in public service occupations, and about half of the NYC youth.

Occupational Objectives

The federally assisted work and training programs, geared as they are to local employment requirements and opportunities, include a wide diversity of occupational objectives. Comprehensive and precisely comparable occupational data for

[6] For manpower program purposes, a disadvantaged person is a poor person who does not have suitable employment and who is either (1) a school dropout, (2) under 22 years of age, (3) over 45 years of age, (4) handicapped, or (5) subject to special obstacles to employment, such as racial discrimination. Members of families receiving cash welfare payments are deemed "poor" for purposes of this definition.

TABLE 3. CHARACTERISTICS OF ENROLLEES IN FEDERALLY ASSISTED WORK AND TRAINING PROGRAMS, FISCAL YEAR 1970

Program	Percent of total enrollees						
	Women	Negro [1]	Age		Years of school completed		On public assistance [2]
			Under 22 years	45 years and over	8 or less	9 to 11	
Manpower Development and Training Act:							
Institutional training	41	36	37	9	15	38	13
On-the-job training	34	30	35	11	17	36	6
Neighborhood Youth Corps:							
In school and summer	50	42	100	----	17	82	32
Out of school	52	44	98	----	32	66	33
Operation Mainstream	29	25	4	51	52	28	18
New Careers	77	63	21	7	13	42	32
Concentrated Employment Program	42	67	41	8	20	45	12
JOBS (federally financed)	32	72	47	4	15	50	16
Work Incentive Program	71	43	23	6	24	44	100
Job Corps	26	61	100	----	37	56	31

[1] Substantially all the remaining enrollees were white except in Operation Mainstream, JOBS, and Job Corps. In these programs, 10 to 12 percent were American Indians, Eskimos, or Orientals.

[2] The definition of "public assistance" used in these figures varies somewhat among programs (e.g., it may or may not include receipt of food stamps and "in kind" benefits). In the NYC program, it may relate to enrollees' families as well as enrollees themselves.

these programs, with their varying program structures, are lacking. However, some information is available on the distribution of enrollees among major occupational groups for most major programs administered by the Department of Labor. (See table 4.)[7]

About 3 in every 10 new enrollees in MDTA classroom training in fiscal 1970 were being prepared for service occupations, many of them in the health services field. Another 2 in 10 were training for clerical and sales jobs. In on-the-job training programs, the proportion of enrollees receiving training for clerical and sales jobs was smaller though still significant, and the proportions in manufacturing occupations and in structural work (which includes welding and construction occupations) were correspondingly greater. In CEP and the WIN Program, as in MDTA institutional training, the largest groups of enrollees were aiming at white-collar and service jobs. The relatively large numbers in "other" occupations in these two programs included many in packaging and materials handling, moving and storage, and truck driving.

Most enrollees in the professional, technical, and managerial group were receiving training or entry-level experience in technician occupations, especially in health fields. However, the enrollees in MDTA institutional training included more than a thousand professional nurses in refresher training, and many of the former WIN enrollees were placed as aides in social service and welfare programs.

The Job Corps lists 12 "clusters" of occupations around which the vocational education curriculums are structured. They are:

- Construction trades
- Metal trades
- Transportation trades
- Clerical and sales
- Food service trades
- Automotive and machinery repair
- Medical and related services
- Electrical appliance repairs
- Service trades
- Graphic arts trades
- Fabric trades
- Personal services

The curriculum for a given cluster can point the trainee toward any one of a number of related occupations—for example, in the transportation trades toward truck or tractor-trailer driver, warehouseman and materials handler, or forklift operator.

In late 1970, about a fourth of the corpsmembers enrolled in vocational training were in the construction trades courses. The next largest groups were in clerical and sales, automotive and machinery repair, metal trades, and food services. The

[7] More occupational detail is presented in appendix table F-9.

TABLE 4. OCCUPATIONAL DISTRIBUTION OF ENROLLEES IN SELECTED MANPOWER PROGRAMS[1]

[Percent distribution]

Occupation group	MDTA		JOBS	CEP	WIN
	Institutional	On the job			
Total: Number	130,000	91,000	97,200	25,500	5,700
Percent	100.0	100.0	100.0	100.0	100.0
Professional, technical, and managerial	4.5	5.8	3.6	4.0	7.2
Clerical and sales	20.2	12.8	16.1	19.8	23.9
Service	29.5	19.7	7.3	18.1	21.0
Farming, fishing, and forestry	4.9	4.2	.9	1.8	1.8
Processing trades	4.6	5.0	15.5	8.1	5.3
Machine trades	9.3	19.5	16.9	7.9	5.7
Benchwork	8.0	9.3	12.5	11.3	7.3
Structural work	8.2	20.1	15.9	10.8	13.6
Other	10.7	3.6	11.3	18.2	14.2

[1] Data for MDTA programs relate to training objectives of first-time enrollees in fiscal 1970; data for the JOBS Program to the occupations in which enrollees were hired in projects under contracts with the Department of Labor active as of July 1970; data for CEP to the jobs in which persons were placed upon termination from the program, January 1969 to March 1970; data for WIN to the jobs in which persons were placed upon termination, January 1969 to May 1970.

NOTE: Detail may not add to totals because of rounding.

remaining seven clusters together accounted for about one-fifth of all enrollees.

PROGRAM RESPONSES TO THE ECONOMIC SLOWDOWN

As recounted in the preceding chapter, government policies aimed at control of inflation brought a leveling off in employment growth early in 1970. At the same time, the labor force increased at an exceptionally fast pace, as the Armed Forces released more men and as women entered the labor force in large numbers. With unemployment therefore rising, it was imperative to determine what changes in manpower program emphasis and operations would be needed to adjust to these changed conditions.

The Contingency Planning System

The development of a system of contingency planning had started before the end of 1969. Basic to the development of these contingency plans were assumptions with respect to overall employment developments during an economic slowdown; analyses of the industries, occupations, and areas likely to be most affected; and estimates of the personal and occupational characteristics of the workers who would be unemployed. The occupations least likely to be affected were identified, as well as the supporting programs of high national priority such as health and protective services and pollution control.

As unemployment rose during the first months of 1970, the decision was made to initiate some of the contingency planning steps already considered. In early May 1970, the Manpower Administration, through the Regional Administrators and their staffs, reviewed with each State agency all training and related programs to insure that they were still appropriate in the light of labor market conditions. Monthly reports on actions taken or contemplated by the States to adjust program operations to changing conditions were also initiated.

At the same time, $49 million in fiscal 1970 funds were reallocated to increase institutional training. Training projects appropriate to the changed conditions were set up, with particular emphasis on the high-priority fields of health services, law enforcement, environmental control, and construction. There was some expansion in training opportunities in skill centers and in rural manpower training programs. And a new Supplemental Training and Employment Program (STEP) was established at the end of April 1970 (as discussed below).

Added Training Resources for Hard-Hit States and Areas

Another action taken by the Manpower Administration to help ease unemployment was the allocation, early in fiscal 1971, of $28 million in manpower training funds for use by the States and areas which were hardest hit. Applying the standards recently approved by the Congress for triggering extended unemployment compensation benefits (discussed later in the chapter), the Manpower Administration determined that eight States (Alaska, California, Maine, Massachusetts, Michigan, Oregon, Rhode Island, and Washington) and Puerto Rico had the greatest need for added resources. All these jurisdictions were given extra funds for training the unemployed.

In Alaska, Maine, and Rhode Island, the funds are being administered on a statewide basis. In the other, more populous States, they are being used in particular metropolitan areas selected by the Governors on the basis of their population size, unemployment rates, and capability for effectively utilizing additional resources.

The use of the funds has been planned by State and local committees of the Cooperative Area Manpower Planning System (CAMPS)—the interagency organization responsible for planning and coordination of all federally assisted manpower activities. These plans have not called for setting up additional programs but, rather, involve expanding and adapting existing ones, including MDTA, STEP, and Operation Mainstream. While priority for service is being given to disadvantaged persons, other workers who have become unemployed because of changing economic conditions are also being assisted.

Initiation of STEP

During 1970, significant numbers of trainees were unable to obtain jobs upon completing a

training course or were laid off after a brief period of employment. There was danger that the individuals involved would become discouraged and also that their newly acquired skills would deteriorate.

STEP, the relatively small program devised to meet this problem, gives workers a temporary source of income and helps to increase their employability through short-term work experience with public or private nonprofit agencies. To be eligible, workers must be disadvantaged, be ineligible for unemployment insurance benefits, and have completed training within the last year and therefore especially need to practice their skills in order to strengthen and retain them. If a job is still not available after a 13-week STEP enrollment, the worker may be reenrolled for an additional quarter of a year.

Financed through both the Manpower Development and Training Act and the Economic Opportunity Act, STEP projects have been funded in all 10 regions and in 28 States. By the end of 1970, more than 8,000 STEP positions had been authorized and nearly 7,000 persons were enrolled. A total of $33 million has been allocated to the program for fiscal 1971, to provide an estimated 18,000 work opportunities.

The agencies cooperating in the program include school systems, hospitals and clinics, State manpower agencies, Opportunities Industrialization Centers, colleges and universities, and Federal agencies including the Internal Revenue Service and General Services Administration. The jobs provided—at no less than 90 percent of the prevailing wage or the applicable minimum wage, whichever is higher, but no more than $2 per hour—are mostly in clerical occupations but also include some positions as teacher aides, motor pool drivers, auto mechanics (in city garages), and nurse aides and orderlies and a few welding assignments.

The employment service tries to find regular jobs for the enrollees, who may be released from their STEP assignments for up to 10 hours a week for counseling, job interviews, or supplemental training. However, in view of the intense competition for the relatively few jobs available, not many STEP enrollees were being placed at the year's end and the number enrolled in a second program cycle was growing.

Public Service Careers Program Implemented and Enlarged

The Public Service Careers (PSC) Program began operations in mid-1970 and was broadened during the year as a partial answer to the slowdown in the job market. This program embraces five plans, or categories of projects—the newest being STEP, just discussed, and the oldest, the New Careers Program.[8]

Originally authorized by a 1966 amendment to the Economic Opportunity Act, New Careers was brought within the PSC Program when it was initiated last year. During 1970, New Careers projects continued to afford several thousand persons on-the-job training and upgrading in human service activities (health, welfare, and education) with manpower shortages. New Careers is the only PSC plan in which some contractors are private, nonprofit organizations rather than government agencies.

The other three PSC plans, which make up the core of the program, were conceived of as a public service counterpart to the JOBS Program in private industry. Their purpose is to open opportunities for disadvantaged workers in regular jobs with Federal, State, and local governments by helping to overcome both institutional and personal barriers to employment. Eligibility has recently been extended to technologically displaced workers. Meeting the manpower needs of public agencies is a corollary goal. Guaranteed immediate employment for enrollees, coupled with training and supportive services, carries out the basic program commitment to "hire now, train later." Under these PSC plans, public agencies may be given help in modernizing their merit systems, restructuring jobs, and making other institutional changes which would facilitate employment of the disadvantaged.

The PSC potential for providing stable, reasonably well-paid jobs for the disadvantaged prompted a reallocation of manpower funds toward the end of fiscal 1970, which raised the program's budget by $35 million (including $29 million for the new STEP plan) to a total of $87 million. Funds for fiscal 1971 activities total $136 million (including some carryover from 1970).

Enrollees are being placed as aides in many fields—teaching, police and correctional work,

[8] For a further description of the PSC Program design, see the *1970 Manpower Report*, pp. 73 and 74.

narcotics programs, home health services, mental health, water pollution, child care, and social work—and in a variety of clerical jobs. The majority of openings are at the entry level, but there are also upgrading opportunities. Under the plan which affords entry level and upgrading opportunities in the Federal Service, about 1,000 individuals were enrolled by early fiscal 1971, mostly in the Navy Apprenticeship Program and the Postal Academy.

Not enough time has elapsed for assessment of PSC accomplishments (except those of the New Careers plan). As is usual in new programs, some start-up difficulties have been experienced. For example, the hoped-for spread of projects to rural communities did not materialize. No rural county or local government agency has as yet signed up for a project, largely because so few have merit systems (as required for participation in PSC) or personnel with the background needed to plan and administer projects. On the other hand, Headstart and Economic Development Administration activities are well represented in projects, and many of these projects are located in rural areas.

The impact of the New Careers Program on enrollees has been generally favorable, with many indicating they intend to make a career of their work. Most of those who complete the training period find permanent jobs with their training employer. However, approximately 40 percent leave the program within the first 6 months, the majority for higher paying jobs. The program has not been problem free. It has been difficult in some instances to obtain firm commitments from employers to hire enrollees upon completion of training. Problems have also been caused by conflicts between program goals and established personnel practices and procedures.

MDTA Institutional Training Stepped Up

Near the end of fiscal 1970, when fewer opportunities were open to the hard-core unemployed in on-the-job training, $49 million was shifted from the JOBS Program to classroom training. This resulted in an upsurge in enrollments in MDTA institutional training during the last quarter (as shown in table 2).

Over the past several years, the MDTA institutional program has undergone continual adaptation in line with developments in the total manpower effort, of which it was the initial component. In 1970, several changes in program administration were undertaken, including transfer of authority for most project approvals from the national and regional offices to the States. In addition, projects were set up for the first time in the Pacific Trust Territories.

New guidelines for the planning and development of skills centers were also issued, and new efforts were made to improve linkages between these centers and other manpower programs. MDTA skills centers—centralized facilities which offer education and training opportunities in a variety of skills, along with needed supportive services such as counseling and access to health and legal aid services—are expanding in number, from 55 in 1969 to an expected 70 by June 1971.

When another program buys training services at a skills center instead of developing a new facility, important savings result. An agreement of this kind was recently concluded with the Job Corps whereby MDTA institutional facilities, primarily skills centers, will be used to supply skill training to the residents of the new Job Corps residential support centers. During fiscal 1970 "buy-in" cost procedures were developed and circulated to staffs of all appropriate programs. Center staffs have been instructed to take initiative in promoting the use of these procedures, and their success will be a factor in the first annual evaluation of skills centers in fiscal 1971.

Although skills centers have gathered momentum in a way that suggests they are meeting real needs, they are only now undergoing thorough evaluation. A study financed jointly by the Departments of Labor and of Health, Education, and Welfare will gather data for trainees with different backgrounds and characteristics on dropout rates, attendance, completions, placements, and posttraining employment and earnings. Preliminary findings of the study show that trainees are generally satisfied with the program and that instructors are highly motivated. They also indicate successful placement activities. However, counselors at the centers appear to be severely frustrated in their efforts to insure that trainees get the supportive services which are supposed to be provided. And center staffs lack the feedback of information on the posttraining experience of former enrollees which would enable them to evaluate and adjust their programs.

On-the-Job Training in Private Industry

The recent economic slowdown had a significant impact on the Job Opportunities in the Business Sector (JOBS) Program. This program, run by the Department of Labor in conjunction with the National Alliance of Businessmen, depends on private industry for hiring and training of seriously disadvantaged, unemployed persons.

Between the start of the program in March 1968 and the end of September 1970, 560,000 individuals had been hired, with a retention rate of approximately 50 percent. An additional 28,000 had completed 6 months or more of training before leaving their JOBS employers. In the closing months of 1970 the program was placing about 20,000 persons per month, as compared with about 25,000 a few months earlier.

Nevertheless, enrollments in the contract phase of JOBS, in which Government financial assistance is extended to cover the extra costs of hiring and training the disadvantaged, continued upward through fiscal 1970.[9] They slowed in midsummer, as production cutbacks caused the cancellation of some contracts, but resumed an uptrend in September.

One reason why the program has held up as well as it has lies in the pattern of industry participation. A survey in the spring of 1970 showed about 30 percent of the contract-covered jobs to be in service-producing industries—trade, transportation, utilities, and finance—where the long-term trend in employment is upward and the effects of the economic slowdown were relatively slight. These industries accounted for an increasing proportion of new JOBS hires in late 1970.

Reviews of the program have revealed some problems with respect to the quality of job opportunities available to enrollees. To counter these problems, the Department of Labor and the National Alliance of Businessmen have developed new standards and guidelines, involving numerical ratings of the quality of jobs offered. This "Occupational Opportunities Rating System" determines the priorities for funding of proposed JOBS projects and rules out those offering jobs below minimum standards of skill content, potential progress, and stability. In addition, regional offices have tightened up on contracting procedures and clarified performance standards for contractors.

[9] An enrollment constitutes a job placement in this program.

With the transfer to individual States of authority for developing on-the-job contracts with employers, this activity has been newly identified as the JOBS-Optional Program (JOP). In most States, the Governors have designated the State employment service as the administering agency, in view of that agency's extensive contacts with employers and knowledge of local manpower needs.

This program differs from JOBS in placing less emphasis on supportive services for enrollees. Since up to 50 percent of the enrollees may be workers not classified as disadvantaged (whereas all JOBS enrollees must be disadvantaged), such services are less often needed. The program thus provides training opportunities for Vietnam veterans and workers recently laid off from industrial jobs.

Recent changes designed to strengthen the program include adoption of the Occupational Opportunities Rating System (described above) and new and more equitable arrangements for reimbursing employers, based on qualifications of the worker and the skill level and wages of the jobs involved.

THE TRADE ADJUSTMENT ASSISTANCE PROGRAM

Another program to aid displaced workers was implemented for the first time in 1970, when the U.S. Tariff Commission made the initial determinations under the Trade Expansion Act of 1962 enabling the Department of Labor to certify for special employment assistance workers adversely affected by foreign imports.

The law provides special assistance for these workers because their unemployment results from actions taken to expand and liberalize foreign trade for the benefit of the Nation as a whole. The individuals involved in trade readjustment are mostly experienced workers, who should be able to get new jobs relatively easily if given needed retraining and job-finding help.

More than 16,000 workers were certified in 1970 as eligible for direct assistance, under determinations by the U.S. Tariff Commission that specified imports had caused unemployment or underemployment of a significant number of workers in particular plants. The plants so identified were in a variety of locations and in a number

of manufacturing industries, including shoes, electronics, steel, and apparel.

Employment assistance, provided through State employment security agencies, may include cash readjustment and relocation allowances [10] and manpower services such as testing, counseling, skill training, and job placement. Eligible workers may receive readjustment allowances for up to 52 weeks, plus an additional 26 weeks if more time is required to complete a training program.

In view of the program's belated startup, new guidelines and funding procedures were prepared during 1970. In addition, several regional conferences were held to inform union and industrial groups about the program and tell them how to obtain its benefits. At the end of the year it was apparent that an enlarged program of trade adjustment assistance was in prospect in 1971.

Although the trade adjustment assistance program has thus become operative, its availability to workers adversely affected by rising imports remains uncertain under the present statute, and the required procedures are cumbersome and time consuming. In order to make adjustment assistance a truly effective and responsive instrument of U.S. foreign trade policy, the President's trade message last year proposed easing the access to adjustment assistance for workers and firms and streamlining the procedures. These legislative and administrative changes continue to be needed.

THE QUEST FOR QUALITY IN YOUTH PROGRAMS

Neighborhood Youth Corps

The Neighborhood Youth Corps, the largest of the manpower programs administered by the Department of Labor, had over 480,000 first-time enrollments in fiscal 1970—46,000 in the out-of-school program and 436,000 in the in-school and summer programs.

A major redesign of the *out-of-school program* was effected in 1970. Nearly a third of the more than 550 projects now emphasize remedial education, skill training, and supportive services. Enrollees are largely school dropouts, aged 16 or 17 at the time they enter the NYC. The new projects aim to prepare enrollees for return to school or admission to a community college, for a general education development certificate (the equivalent of a high school diploma), or for the best semi-skilled or entry-level job for which the individual can be qualified—with the priorities in that order.

All of the new projects are located in urban areas, which have the community resources essential to provide the enriched services prescribed by the new program design. In small communities and rural areas, most projects continue to provide chiefly part-time jobs, largely because of the paucity of community services. But efforts are being made to bring these projects more nearly into line with the new project design, especially with regard to individual programing for enrollees. A recent study of enrollees in rural areas revealed their need to learn occupational and social skills, and otherwise prepare for the urban living which many of them will shortly undertake. Pilot projects have been developed in the North Central States to test how these needs can be met.

A series of evaluation and research studies has produced varying findings about the NYC program—not a surprising result in such a large program which operates in so many, varied locales. A 1970 cost-benefit study in Indiana, which compared the 1967 earnings of out-of-school participants with those of a control group of young people also eligible for NYC but not enrolled in it, challenges the conclusion of some earlier researchers that the program is primarily an "aging vat," rather than a positive contribution to earning power.[11] For the boys at least, the earnings gain as a result of NYC participation was shown to be substantial, and the benefits of the program to society were estimated to be much above its cost. On the other hand—again challenging earlier findings from a different sample which showed greater benefits for girls than boys—the girls enrolled had little increase in earnings as a result of their NYC participation, and for them the benefit-cost ratio was less than one. Other significant findings were that the increase in postprogram earnings was directly related to the length of enrollment in the program and that the benefit-cost ratio was sig-

[10] For a discussion of trade readjustment allowances paid in 1970, see the section on Strengthening the Unemployment Insurance System later in this chapter.

[11] Michael E. Borus, John P. Brennan, and Sidney Rosen, *A Benefit-Cost Analysis of the NYC: The Out-of-School Program in Indiana*, School of Labor and Industrial Relations, Michigan State University, under contract with the Department of Labor, Manpower Administration, as reported in the *Journal of Human Resources*, Spring 1970, pp. 139–159.

nificantly greater for enrollees with only 9 or 10 years of schooling than for high school graduates.

The *in-school program* for dropout-prone ninth to 12th graders (or the equivalent 14- to 21-year age group) included 814 projects in fiscal 1970. Interest in the program is high, with most of the openings filled throughout the school year. While the major emphasis is on providing financial assistance to enable students to stay in school, the need for remedial education, counseling, and other supportive services has become increasingly apparent. These services can be as important as financial assistance in encouraging continued school attendance.

The *summer program*, like the in-school program, is placing more emphasis on remedial education and supportive services. Efforts are being made to assure summer enrollment of youth in the in-school program, to give them year-round work and training experience.

Planning work projects which benefit the community as well as the enrollee is an important aspect of the summer program. For example, during the summer of 1970, Operation Clean Waters, a program directed by the Federal Water Quality Administration, utilized NYC enrollees in many localities to assist in cleaning waterways and to work in water treatment and sewage plants. Enrollees also participated widely in the Youth Tutoring Youth Program, in which they helped younger children in reading and writing, with educational benefit to themselves as well as to the children tutored.

During the summer of 1970 a pilot NYC project using innovative approaches in remedial education, skill training, and supportive services was conducted in each region. These projects served a variety of population groups, including Indian youth on reservations, bilingual Spanish American youth, and rural youth. The methods developed and tested will be utilized generally in the 1971 summer program.

The first cost-effectiveness study based on a national sample of enrollees in the in-school and summer programs was completed in 1970.[12] It relates to youth enrolled in fiscal 1966 and 1967. Some highlights of the findings are:

—Negro female and Indian enrollees were more likely to graduate from high school than their counterparts in the control group of young people of similar background who did not participate in the NYC. However, this was not true for the white enrollees.

—The NYC participant who graduated from high school was considerably more likely to go on to college or other postsecondary education than a high school graduate in the control group. However, these favorable results for college attendance apply only to boys, both Anglo and Negro—not to girls and not to Mexican Americans.

—The probability of high school graduation and college attendance increased with longer enrollment in the program.

The mixed findings—with enhanced probabilities of educational achievement for some subgroups, notably Negro girls—led to "speculation that merely providing high school jobs for low-income students is not enough to prevent dropouts. Part-time jobs and small income from work may whet appetites for full-time jobs and larger incomes. An NYC job may encourage some to drop out . . . at the same time as it permits and motivates others to continue their education. The improved attitudes toward work reported by the NYC participants and the actual evidence of labor market benefits [suggest that NYC] may facilitate the transition from school to work for some even before graduation."

The researchers emphasized the need for intensive counseling as an integral part of the program—that young people must be helped to believe that high school graduation will open the door to better jobs. Otherwise, the provision of jobs under the NYC may have negative as well as positive effects on the educational plans of teenagers from low-income groups.

Among the major conclusions reached was that ". . . the NYC's principal contribution is in orienting the disadvantaged student to a work context. . . . The overwhelming majority felt that the NYC program had given them a new appreciation of work. . . . Critics may be right in deploring the lack of training and skill acquisition in NYC [in-school and summer] programs. But earnings can be increased without new skills if [as the study shows] enrollees are induced to increase their labor force participation."

[12] Gerald G. Somers and Ernst W. Stromsdorfer, *A Cost Effectiveness Study of the In-School and Summer Neighborhood Youth Corps* (Madison: University of Wisconsin, under contract with the Department of Labor, Manpower Administration, July 1970).

Job Corps

The Job Corps, a nationwide program of comprehensive manpower services for disadvantaged youth, is unique in offering its enrollees a new environment in residential centers. The program serves youth aged 16 through 21 who require a combination of additional education, vocational training, intensive counseling, and related assistance in order to secure employment, participate successfully in school or other training programs, or satisfy Armed Forces requirements. The Job Corps seeks youth who live either in low-income rural areas that lack vocational training opportunities or in urban environments characterized by cultural deprivation, disruptive homelife, or other adverse physical and social conditions that substantially impair their employability and training potential. Enrollees may remain in the Job Corps for up to 2 years; the average stay has been 7 months.

New Program Approaches. The introduction of two new types of centers, residential manpower centers and residential support centers—the major innovation in the Department of Labor's redesign of the Job Corps—moved ahead in 1970.[13] By the end of the year, eight manpower centers, with a capacity for housing and training over 2,000 youth, were serving the metropolitan areas of El Paso, Washington, D.C., Cincinnati, Atlanta, Phoenix, and Portland, Oreg., and the States of New Jersey and Hawaii. Only one of the much smaller support centers (with a capacity of about 25 enrollees) was opened during 1970 in San Francisco.

Progress in opening both new types of centers has been retarded by a number of technical problems, primarily difficulties in procuring appropriate sites. However, a number of additional centers are expected to be established during 1971.

The manpower centers—of which there are expected to be 20 with a total capacity of about 4,700 Corpsmembers—serve youth in their home areas. Unlike the support centers, they offer training on both a residential and a nonresidential basis. Both types of new centers are relatively small and utilize training resources from other local manpower programs. In these respects, they differ substantially from the older regional centers (four for men and 11 for women) and from the 32 civilian conservation centers.

From four to six support centers should be in operation by mid-1971, with some others to be operating by the end of the year. The support centers provide close, personalized attention for youngsters with very substantial problems. Training services are obtained through other local manpower programs.

A recent innovation by the Job Corps is the first training center managed and operated by Indians for Indians. The Kicking Horse Regional Residential Manpower Center began operations near the end of 1970 under a contract with the Tribal Council of the Confederated Salish and Kootenai Tribes of the Flathead Reservation of Ronan, Mont. At full strength the center will offer 200 disadvantaged Indian youth, recruited widely from areas west of the Mississippi River including Alaska, the full residential Job Corps program.

In the past year the Job Corps undertook a new type of service to young women. Recognizing that a significant number of young mothers in low-income areas could not participate because they had to stay at home with their children, the Job Corps established an experimental program for these mothers in the new Atlanta Regional Manpower Center. Special housing units were set up to accommodate mothers and children, and day-care facilities were established to enable mothers to participate in center activities. This effort seems promising as a realistic way of helping young women with a disrupted family life and other acute problems.[14]

Still another recent program emphasis is on geographic restructuring of recruitment patterns, establishing a close working relationship between a given community and the center designed to serve it. Whereas earlier enrollees were assigned to centers on an almost random basis, each center now serves a specific geographic area. This means that enrollees are located as close to home as possible and know their center assignment before entering the program. Not only does this practice tend to discourage dropping out, but it has the further advantage that local people who are screening and selecting enrollees have first-hand, accurate information to pass along to new recruits and that the

[13] For a full description of the program redesign and descriptions of the several kinds of centers, see *1970 Manpower Report*, pp. 71–73.

[14] Currently, nearly 30 percent of all Job Corps enrollees are women, most of whom reside in the 11 women's regional centers operated under contracts with private and nonprofit organizations.

skill-training program of each center can be adjusted to local job requirements.

Recent program developments also include increased emphasis on union cooperation. Although instructors from building trades unions have been working at Job Corps centers since 1966 and unions help place graduates in apprentice programs or other jobs below the journeyman level, the pace of such activity has been stepped up. More than 1,750 training opportunities are now being provided under contracts with construction unions. Corpsmembers are learning mainly carpentry, painting, and operating engineer skills, although a small number are being trained as bricklayers, plasterers, metalworkers, plumber-steamfitters, and electricians.

A major effort to link the Job Corps to other manpower programs has also been made during the past year. The purpose of the effort has been to utilize the services of these programs to support Job Corps objectives and, in turn, to make Job Corps facilities available to as large a group of disadvantaged youth as possible. Linkages with the employment service are already helping in recruitment and placement, and MDTA skills centers in several cities are being used to train Corpsmembers.

Other efforts by the Department of Labor to strengthen the structure of the Job Corps and adjust the focus of its work are as wide ranging as reorganization of the national office, decentralization of the supervision of centers to the Manpower Administration's regional offices, and the upgrading of programs in residential living and health. This last activity includes preparation of a manual covering education in citizenship, consumer education, and social skills and of new literature and audiovisual aids on drug, alcohol, and cigarette use; family planning; personal hygiene; sex education; and venereal and other communicable diseases.

Recent Program Results. The restructuring of the Job Corps program under Department of Labor auspices since 1969 has shown some favorable results. The degree to which former Corpsmembers adapt successfully to the world of work is indicated by the fact that nearly 9 out of every 10 enrollees completing their programs were available for placement in fiscal 1970. Of these youth, four-fifths were placed in employment, returned to school, or were accepted by the Armed Forces during the first 3 months after termination, a rate 5 percent higher than in the previous year.[15] Youth who started on jobs averaged $1.84 per hour—some who entered construction trades reported earnings of $3 per hour or more.

About equal numbers of enrollees who left the Job Corps completed their programs, stayed at least 90 days but failed to complete training, or dropped out in less than 90 days. As might be expected, the length of stay correlated both with availability for placement (in jobs, further schooling, or the Armed Forces) and with placement rates. Among those completing their programs, 91 percent were available for placement and, of these, 88 percent were placed; among short-term enrollees, 82 percent were available and, of these, 72 percent were placed.

The initial experience of the new regional manpower centers has been heartening. Compared with the older types of centers, they have shown a drop of one-third in the proportion of youth who were recruited but failed to keep their commitments to enroll and a drop of almost 50 percent in the proportion of enrollees who stay less than 30 days. The placement rate for the new centers is 90 percent, compared with 81 percent for the Job Corps as a whole. Youth from these new centers who were placed in jobs had average earnings of $2.23 per hour.

Other indicators of progress include enrollees' high educational gains in reading and mathematics (substantially exceeding those reported by public school systems) and a reduction in annual costs per enrollee—achieved in fiscal 1970 in the face of the general rise in prices. This decrease reflected, in large part, special efforts to keep the centers filled to capacity.

Future Program Goals. During 1971 attention will be focused by the Department of Labor on improving techniques and developing increasingly effective program models for residential training and support centers. Among the areas where further development is needed are better criteria for determining whether recruits should be assigned to residential or nonresidential training in manpower centers, more child-care facilities for young mothers, closer links to other community programs, and improvements in training and in the

[15] Enrollees not available for placement upon leaving their programs were either ill, deceased, confined to institutions, or, in the case of girls, taking care of families.

residential environment. Additional program objectives include:

—Expansion of union programs, which have special advantages in training and placing minority youth, to more centers and new occupational areas, including clerical and data processing jobs for women.

—New placement approaches such as stationing State employment service job placement specialists at centers, better coordination of vocational training with local manpower needs, and more intensive use of GATE houses (specialized local offices to place and otherwise assist youth leaving the program).

—Consideration of an increase in the number of coeducational centers. Early experiments with coeducation at the new residential manpower centers appear to show positive results, such as better enrollee behavior, physical appearance, and morale, as well as better interracial and interethnic relationships.

—Finding ways of increasing the already significant use of community volunteers and enlarging the already fruitful area of participation in community life and activities.

—Expanding the use of the basic skills training program to additional occupations. A special effort will be made to work with employers and unions to make sure that training meets industry's changing requirements for entry jobs.

—Changes in the education program, based on a thorough analysis. Projects which are in the planning stage include a recreational reading program, utilizing special high-interest, multiethnic paperback books; a program of college courses (to be taken at the college itself or by correspondence) for trainees who receive their high school equivalency certificates while in Job Corps; enrichment of the curriculum in the areas of ethnic minority history, social studies, and science; and the development and application of games to stimulate and facilitate the learning process.

—Improvements in residential living environments and in the orientation of new enrollees. A revised manual on these subjects is under preparation.

—Progress in tailoring activities and services to the Spanish-speaking and other groups with special needs. This includes, for example, bilingual teaching materials, guidelines for the recruitment and placement of Spanish-speaking youth, intensive training of center staffs, and the addition of Spanish-speaking staff members.

—Maximum assistance to youngsters with drug problems, employing a drug control program now under development, and, as a related goal, establishment of consultation teams in each region to further the development of mental health programs.

This list of objectives reveals that much remains to be done to achieve maximum effectiveness in residential centers. The process of gearing education and training to the needs of the disadvantaged is never ending. New approaches to improving the job-readiness of enrollees, to helping them choose a vocation and develop mature attitudes and effective personality traits, and to stimulating wholesome interpersonal relationships in the centers are all under constant consideration.

UPGRADE TRAINING

An impetus toward upgrade training for disadvantaged workers trapped in low-paying jobs has been evident in manpower program planning for several years. It is shown by new provisions for such training in regular manpower programs and by experimental efforts to stimulate upgrading in industry. In 1970, building on limited research and demonstration findings, a design for an expanded pilot program was worked out and is to be tested in two States in 1971.

There are several reasons for the growing interest in upgrade training. The provision for training of the working poor in the Administration's welfare reform plan is an important one. Another is the interest of many low-skilled workers in progressing up the job ladder; and still another is employers' needs to fill skill-shortage jobs. Many employers already provide some upgrade training for their employees, but for many reasons these efforts are quite limited.

An upgrading program should do two things for employed workers. It should improve their job

skills—and often their ability to cope with the environmental problems which affect work capability. Secondly, it should produce, in a reasonably brief period, an increase in earnings through advancement to higher paid jobs or more stable employment. Programs may emphasize either *vertical upgrading*, in which the worker is prepared for a position of greater skill and pay with his current employer, or *horizontal upgrading*, in which he is trained for a higher level job requiring a transfer to another employer.

Current Industry Practices

Upgrading is not new in concept or practice; employers do promote extensively from within. However, they do so largely on the basis of skills developed informally through on-the-job experience and ordinarily do not provide formal training to qualify employees for promotion. In many companies, this informal on-the-job learning is sufficient to qualify workers for jobs at the next higher level. In other situations, however, the absence of specific training may mean that workers who are promoted lack optimum skills or that workers are passed over in favor of graduates of outside training institutions or those who acquired their skills in other companies.

Differences in upgrading potential among industries exist partly because of variations in occupational structure. Job ladders and progression systems are possible in industries with a hierarchy of skills. But industries which employ most workers at one low skill level—some assembly, service, and retailing activities, for example—offer quite limited promotional opportunities; they are major contributors to the problem of millions of workers "locked into menial dead end jobs." And in all industries there are limits on the proportion of workers who can be upgraded, since the number of jobs is generally much smaller at the higher than at the lower skill levels.

Even where a well-developed, closely graded hierarchy of skills exists, as in the steel industry, bottlenecks can occur. Many men move easily into the middle levels, but because they cannot pass the tests necessary for bidding on higher level jobs, they are brought to a stop. In recent years, a special remedial education program has helped men to prepare for and pass such tests—and in so doing to open up middle-level jobs to those below. The backlog of workers waiting to get into the program indicates that they see it as an effective aid to advancement.

Among many other problems, a major one is that occupational structures often do not facilitate interjob movement. Workers cannot advance if there is no relationship between their duties and those of a higher job. A precondition for effective upgrading, then, is not only training but also job redesign to permit accumulation of relevant experience in the lower level job.

Employers have to be shown the cost-benefits to themselves of making the needed changes in job patterns, training programs, and other personnel practices. A study of employers in 11 major industries showed, for example, that long-established patterns of job movement, through seniority systems of job bidding and learning on the job, have seldom been modified, nor have innovative methods been tried, except under some duress or crisis.[16] By and large, despite complaints about worker performance and shortages of good skilled workers, there has been no great surge of employer effort to develop in-house training to improve efficiency and upgrade present employees. A principal task for Government appears to be to assist industry in identifying where and how improved internal mobility systems may be developed for mutual employer-employee benefit.

Department of Labor Experience in Upgrading

Although manpower programs have concentrated primarily on the unemployed, some limited experience in upgrading persons already employed is being accumulated. For example, an option of JOBS '70 Program provided for upgrade training for already employed workers equal to up to one-half of the number of disadvantaged workers taken in for entry-level training. And the new Public Service Careers Program provides upgrading opportunities with Government agencies. However, the implementation of these provisions has been too recent to permit assessment of the results.

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[16] *Upgrading the Workforce: Problems and Possibilities* (New York: E. F. Shelley & Co., Inc., under a research contract with the Department of Labor, Manpower Administration, January 1971).

Some increase in the upgrading of present workers can presumably be accomplished through these programs. What is chiefly lacking is a mechanism for coordinating efforts in this direction with employers and unions. Highly individualized negotiations are necessary at each establishment, and there is a need for expertise in order to design and deliver a service tailored to the needs of the establishment and its workers. The experience of research and demonstration efforts in upgrading during the last several years can be useful in this connection.

Research and Demonstration Experience

In general, research and demonstration (R&D) programs of upgrade training have found that, if given a credible opportunity, workers are motivated for upgrading, even though these programs do not always insure automatic upgrading. For example, a highly successful program in New York to upgrade nurse aides to licensed practical nurses demonstrated the willingness of these disadvantaged working poor to undergo temporary hardships in order to achieve better status and pay.

Two models of upgrade training have been tested in these R&D projects. The High Intensity Training (HIT) model of upgrading has had the more extensive development. It employs an outside organization which offers "free" training, in the plant, to help the employer move small numbers of employees to jobs at the next occupational level. The training is intensive (40 to 80 hours), spread over some weeks. This service to employers also provides assistance in identifying new or changed jobs to foremen or supervisors of low-paid workers. The employer, in turn, is asked to provide paid time off for training, inplant space for it, and a commitment to a wage increase (usually at least 8 percent) and to promotion to a higher rated job.

In demonstration projects of this kind, more than 3,500 individuals have been upgraded in several hundred firms over 4 years in four cities. These "door-opening" efforts to gage employer receptivity and refine techniques have proved practical for short-term training and have been well received by employers and trainees. Except where there already were training departments, employers have been interested in getting the free services offered. However, few employees have yet been enabled to move up more than one occupational step, and upgrading of bottom-level workers has seldom led to new hires of disadvantaged workers in the vacated jobs. Plans are being developed to build on the receptivity found and the techniques learned to develop a springboard for broader systems.

The second upgrading model was developed in Syracuse, N.Y., and operated by the New York Division of Employment, with aid from a university research institute. It sought to help employers identify needs or opportunities for skill upgrading and to set up training after work hours in existing training facilities for employees selected by the companies. The training prepared enrollees to bid for higher level jobs when they opened up.

The Syracuse model varied from the HIT model in these major ways: In larger commitments of workers' time; in more skill emphasis; in use of outside training facilities (MDTA skills centers and public vocational schools); in use of afterhours as well as released-time training; and in the training objective—that is, preparation for the worker to bid later for a higher grade job.

The project—which enrolled 241 workers and, by its conclusion, had already achieved 123 upgrading moves—was concentrated initially in metalworking firms. Workers in lower grade jobs volunteered in large numbers, and the participating employers expressed a strong interest in continuing the project. The trade association assisted in developing the project, and the unions approved it. Use of outside training facilities permitted the needs of several companies to be met by the same course. Although metalworking firms were the first enlisted, training proposals were received from other industries in the latter half of the project. The project was able to maintain successful operations during area strikes and layoffs.

Vertical upgrading was the emphasis in both the HIT and Syracuse models, although some workers appear to have used their training to transfer on their own initiative to better positions with other employers. A third project currently in progress will experiment with some aspects of horizontal upgrading. In this project, run by the Vermont Department of Employment Security, individualized plans are developed for workers currently employed at very low-paid or intermittent jobs with no opportunity for upgrading. The problems of worker selection, relationship with employers, determination of suitable training, joi

placement, and followup will all be explored. The Vermont project has a rural as well as an urban component, thus adding another valuable dimension to the experiment.

Another R&D project with considerable potential for upgrading, although this was not its original primary aim, is the Training and Technology (TAT) project in Oak Ridge, Tenn. Hiring exclusively entry-level, disadvantaged persons, it has trained them entirely within an industrial setting for highly skilled jobs with good pay. An important feature has been the use in this training of previously underutilized resources of equipment and personnel. Current plans are to extend this training to include all of the Government-owned, contractor-operated plants of the Atomic Energy Commission in two areas—one centered at Oak Ridge and the other in the West. Both upgrade and entry-level training will be given, with the contractors bearing the training costs.

Further Developmental Needs

Early developmental work on upgrade training, involving the two approaches of offering brief in-plant training and marshaling outside facilities for after-hours training, has demonstrated that successful upgrading is a highly individualized operation within an employer's establishment. The problem is how to achieve highly individualized designs on a wide scale.

At present, more experience is needed to show such things as:

—The potential, practical scale of upgrade assistance to employers by public agencies.

—How better to target differing approaches to particular industries, occupations, and classes of workers.

—How to achieve multistep upgrading, without employing the full career-ladder approach.

—How to build the capability for furnishing upgrade services into State employment services.

—The limits of paid, on-the-clock inplant training.

—The limits of training outside, on the workers' own time.

Some patterns of general applicability will develop from further experimentation, but it will take time to develop training and promotion arrangements which are reasonably acceptable to employers and unions and allow for industry differences. Public manpower agencies should be a key stimulating agent, but in view of traditional employer reluctance to allow direct government involvement in their operations, enlarged roles for employer associations, unions, community organizations, private training firms, and educational institutions are indicated.

A central concern is financing. A strong case can be made for government aid to meet the financial burdens of upgrading training. How much aid to provide, by what methods, and according to what standards of eligibility are, however, basic policy issues still to be resolved.

Meeting the Needs of Special Groups

THE WIN PROGRAM FOR WELFARE CLIENTS

The Work Incentive (WIN) Program, designed to move an estimated 1.1 million adults on welfare rolls to economic self-sufficiency through job training and employment, was authorized by the 1967 amendments to the Social Security Act.[17] By the end of 1970, 260 WIN projects were in operation in 53 States and other jurisdictions and nearly a fourth of the Nation's 3,000 counties. Early development of the program had been slowed by legal barriers in a number of States. However, by July 1970 programs had been funded in all States except New Hampshire, where a contractual problem remains.

From July 1968, when the first project was funded, through November 1970, WIN enrollments totaled 218,000. A steady enrollment uptrend had brought the November 1970 end-of-the-month total to nearly 101,000, making this numeri-

[17] For a description of the WIN Program and its early implementation, see *1970 Manpower Report*, pp. 74–76.

cally the second largest manpower program administered by the Department of Labor (next to the NYC program). The President's budget request would make possible 187,000 first-time enrollments in WIN during fiscal 1972, compared with an estimated 125,000 during fiscal 1971.

WIN is seen as a prototype for the much larger manpower program included in the Administration's welfare reform proposal.[18] Estimates of the numbers of persons who would come under this plan's mandatory work registration requirement run to 2.5 million, including 1.2 million full-time workers—the so-called "working poor."

The Department of Health, Education, and Welfare reports that in WIN operations through June 1970 public welfare agencies closed approximately 14,800 cases following participation in the program, with estimated savings in welfare benefits of $38 million. Payments have been reduced in many additional cases, although the amount of the resulting savings is not known. Other, less tangible benefits have accrued from the program in improved self-esteem and family functioning. A very positive response on the part of AFDC recipients to the new opportunities for training and jobs was evidenced by the large numbers who volunteered wherever projects were started.

Statistics are of limited value in assessing the accomplishments of such a complex program in its early phases, before the inevitable administrative and mechanical problems are worked out. However, it is worth noting that of the 218,000 persons who had entered the program through November 1970 about 37,000 were at work under a variety of arrangements. Approximately 91,000 were still in a training, basic education, or some other phase of the program preparatory to work. Of the 90,000 who had left the program before completing the work preparation plans devised for them, a good many undoubtedly obtained jobs through their own efforts. However, the size of this group also reflects such program drawbacks as the inadequacy of child care and other supportive services and early difficulties in arranging for and coordinating all the program's many elements.

Each WIN enrollee is assigned to an employability development team, including a counselor, job developer, and other specialists. In WIN—and increasingly in other programs for the disadvantaged—such teams help each client plan a program for getting and keeping a job and follow him (or her) from entry into the program through all phases of his individual plan, including the work-with-counseling phase which precedes independent job holding. Plans may be amended, and enrollees may even begin again if necessary or they may switch from one type of training to another.

Although the number of persons at work as a result of WIN is growing, the legislative changes called for by the welfare reform proposal are essential for substantial results in motivating and enabling welfare clients to become productive workers. First, training incentives should be increased and allowance made for training-related expenses. Under WIN, enrollees who are in training courses receive only their welfare benefits plus $30 per month—which in some States amounts to $100 per month less than regular MDTA allowances.

Second, work incentives should be strengthened. At present, AFDC mothers who work can retain only the first $30 of their monthly earnings, plus one-third of the remainder and a limited amount to cover work-related expenses, without reduction in benefits. Under the proposed program, the first $60 of monthly earnings would be disregarded in computing benefits, to offset the cost of going to work, and enrollees would be allowed to keep half of their earnings above $60 without loss of benefits (up to specified maximums).

Third, the work requirement should be strengthened. The proposed welfare reform would require all able-bodied adults, with certain clearly specified exceptions, to register with the public employment service for work or training. Thus, uniform registration requirements would replace the present widely differing referral policies of State welfare agencies—made possible by varying interpretations of the generalized requirement that they refer to WIN those persons on the AFDC rolls judged to be "appropriate." Furthermore, the proposed creation of transitional public service jobs for welfare clients unable to qualify immediately for regular jobs or training should bolster the work requirement. The plan submitted to the House Ways and Means Committee called for 200,000 such jobs in the first year of operation. With these new opportunities and those already available to welfare clients under regular manpower programs,

[18] For a brief description of the welfare reform proposals and their legislative history, see the beginning of this chapter.

more than a million individuals would receive training or employment during the first year.

Fourth, the working poor should be covered, ending the present inequity whereby many full-time workers are less well off than people on welfare. Moreover, there should be upgrade training opportunities for the special benefit of the working poor. The reform proposal not only entitles employed heads of families earning less than specified minimum incomes to money benefits but gives them eligibility for manpower training and related services.

Fifth, Federal funding for child care should cover 100 percent of the costs of publicly financed day-care programs, and Federal financial assistance should extend to remodeling of facilities as well as operating expenses. The welfare reform proposal includes both these provisions and so would help to overcome the shortage of day-care facilities which has been a major impediment to effective functioning of the WIN Program. Furthermore, child-care support for an employed mother would continue, on a sliding scale related to her earnings, after her separation from the welfare rolls. Under WIN, child-care support often terminates when the enrollee is separated from the program, jeopardizing her continued employment.

Even without these greatly needed changes, the WIN Program can make an increasing contribution in moving persons off welfare and into employment. Enrollments will undoubtedly continue upward as existing projects are expanded and new ones inaugurated. The program's holding power is expected to improve as administrative problems are ironed out. Additional effort and resources may solve at least part of the troubling shortage of day-care services for children which has inhibited enrollments of some mothers and caused others to drop out of the program. However, if a training and work program is to have a substantial impact on the swelling welfare rolls, changes of the kind called for in the Administration's welfare reform proposal are essential.

PROGRAMS FOR OFFENDERS

National recognition was long in coming that the "correctional" system fails to correct—that, in fact, it has actually contributed to the devastating increase in the economic, social, and psychological cost of crime. However, in 1969 the President, taking note of a criminal justice system in danger of breaking down under the pressure of its increasing caseload, characterized the prison system as a "convincing case of failure."

This total system—which is an aggregation of 50 State and well over 3,000 county and municipal systems plus the Federal system—has under its authority about 1.5 million people on any given day. Perhaps twice that number come under its jurisdiction in the course of a year, at a cost of nearly $1.5 billion in fiscal 1969.[19] No one knows how many of those released [20] are rehabilitated by their prison experience, but it is painfully evident that many are incarcerated for a second or third time, or even more.

Recognizing that reform of correctional institutions and methods is a basic element in any program to improve the Nation's law enforcement and criminal justice system, the President appointed a Task Force on Prisoner Rehabilitation which reported in April 1970. The essence of its report was that correctional reform, to succeed, must obtain the support of the community, which has been notably missing, and that it would cost a great deal in both money and effort. Regarding jobs and job training, the task force said, "Satisfying work experience for institutionalized offenders, including vocational and prevocational training when needed, and the assurance of decent jobs for released offenders, should be at the heart of the correctional process."

The Omnibus Crime Control and Safe Street Act of 1968 provides, for the first time, continuing and increasingly adequate block grant funds to the States for use in deterring crime, improving law enforcement, and reforming corrections. The Law Enforcement Assistance Administration (LEAA), set up in the Department of Justice to administer the act, has a fiscal 1971 budget of about half a billion dollars, of which an estimated $100 million is being devoted to corrections.

Another forward step was the formation in 1970 of the Interagency Council on Corrections, under the joint chairmanship of the Bureau of Prisons and the LEAA, to work for coordination of the many Federal programs bearing on correctional

[19] *Expenditure and Employment Data for the Criminal Justice System, 1968–69* (Washington: Department of Justice, Law Enforcement Assistance Administration, 1970). The fiscal 1969 cost of all criminal justice activities, including police and judiciary, was more than $7 billion.

[20] More than 100,000 Federal and State inmates are released each year plus an uncounted number of county and local prisoners.

reform. In addition to those discussed below, such programs are run by the Rehabilitation Services Administration and the Center for Studies of Crime and Delinquency of the National Institute of Mental Health in the Department of Health, Education, and Welfare and by the Office of Economic Opportunity. The coordination effort needs to be extended to State and local governments, educational institutions, the organized bar, industry, unions, and voluntary organizations, all of which have a part to play in keeping offenders from committing more crimes.

Reducing Crime Through Manpower Training

The Department of Labor, proceeding on the hypothesis that employment and income are critical elements of any comprehensive strategy to rehabilitate criminal offenders, has for several years conducted research, demonstration, and pilot projects designed to learn more about the problems involved in their training and job adjustment.

As early as 1964, these projects explored inmates' needs for vocational training and job-finding assistance and demonstrated the feasibility of conducting manpower training programs in correctional institutions. They also showed the importance of remedial education and individualized supportive services to the inmates' eventual job success. The promising results led to a wider pilot program of inmate training which began in 1968.[21]

During fiscal 1970 and the first half of fiscal 1971, 63 projects to enroll more than 4,100 inmates were funded at a cost of nearly $8 million. Most of the projects have been in State institutions, but three are authorized in county jails and six in Federal institutions. This inmate training under the MDTA is the joint responsibility of the Departments of Labor, and Health, Education, and Welfare and is undertaken in consultation with correctional authorities. Most of the projects provide inmate stipends, a portion of which is held back as "gate money" to help cushion the difficult postrelease adjustment period.

A notable project in Chicago's Cook County jail will give 175 men basic education and a chance to explore carpentry, auto repair, and several other trades in order to identify their aptitudes and interests. This jail is an outdated, badly overcrowded institution where inmates stay only for short periods. A dedicated chaplain, with contributions of money and services from the community, overcame the space problem by sandwiching a new building into a small piece of land between two tiers of cells. Affording inmates individualized training during their short prison stay is managed by using training facilities outside the jail. An employment service counselor is assigned to the project staff to develop job opportunities for the trainees as they become job ready.

In the first 8 months of the project, which began near the end of 1969, 39 trainees were released from the jail. Normally, about 75 percent of those released return, most within the first 2 months. But by January 1971 only one of the trainees was back; 20 were in vocational school, one was in college, 10 were employed, and seven were hunting for jobs.

Not every MDTA inmate project has been as successful as that in the Chicago jail. However, the growing body of experience provides invaluable lessons in how to plan for and proceed with this kind of manpower program and help in identifying pitfalls.

Preliminary findings of an evaluation of the first 22 projects funded confirm that training programs for inmates can be successfully undertaken in many different kinds of correctional institutions. About half the projects reviewed had directors with little or no previous experience in corrections—a plus factor, since outside staff tended to bring with them positive attitudes toward rehabilitation. Beneficial changes in the institutions followed. However, unless correctional staffs were significantly involved on a day-to-day basis, a project was likely to operate in isolation and lose its impact on the institution.

The evaluators found that the overall quality of project personnel ranged from adequate to excellent, with the uniformly superior quality of vocational instructors making vocational training the strongest link in the chain of services to inmates. However, the overall effectiveness of the program was impaired by uneven implementation of stated policies and procedures. In addition, job development and placement services were found to be insufficient, as were postrelease supportive services. Efforts are being made to overcome these shortcomings in the more recently funded projects.

[21] For a fuller description of the early programs, see *1969 Manpower Report*, p. 114.

The Federal Bonding Program

The Federal Bonding Program, under the sponsorship of the Department of Labor, has helped place inmate trainees in jobs after their release. Begun as a demonstration project under a 1965 MDTA amendment, the program was aimed at the significant number of persons who had participated in federally financed manpower programs but who could not secure suitable employment because of police records.[22] Because of such records, workers are often unable to obtain coverage under commercial bonding programs to indemnify employers against loss from theft or default. From a limited effort in a few cities and States to determine the usefulness of providing fidelity bonding coverage to persons with arrest or conviction records and to encourage employers and commercial bonding firms to reexamine attitudes and practices, the program has gradually become nationwide. For several years it has been available as a component of all inmate training projects.

The number of people actually bonded has been small, but for each the fidelity coverage was the key to obtaining employment. Even when not utilized, the availability of bonding coverage has greatly enhanced the acceptability of job applicants to many employers. At the end of 1970, more than 2,600 persons had been bonded through the program, and only 35 claims, amounting to $22,000, had been paid by the insurance carrier in almost 5 years—a default rate of less than 2 percent. Because of the consistently low default rate, the bonding company has lowered its charge by two-thirds, to a price which compares favorably with commercial rates for bonding.

Experimental and Demonstration Activity

Methods of rehabilitating young offenders without prosecution and imprisonment have been developed in two recent projects. In cooperation with the courts and police authorities, youth who have been carefully screened immediately after their arrest are offered an opportunity to participate in a specially designed manpower program as an alternative to prosecution and possible imprisonment. For those who enroll, a 3-month delay in processing by the courts is obtained. Upon the recommendation of program managers that rehabilitation is taking place, the court usually agrees to a dismissal of charges. The Vera Institute of Justice is conducting the Manhattan Court Employment Project in New York, while Project Crossroads in Washington, D.C., run experimentally by the National Committee for Children and Youth, was incorporated into the regular activities of the Superior Court of the District of Columbia in early 1971.

As an example of how "pretrial intervention" works, the Manhattan Project draws its participants (all men) from among the young, uneducated, unskilled, unemployed ghetto residents who comprise most of the more than 100,000 persons coming into the Manhattan Criminal Court each year. During the first 23 months of project operation, 850 persons were enrolled, after 100 times that many had been screened. Half were black; another third were of Puerto Rican or Latin American descent. Most dropped out of school in the 10th grade and had an academic achievement considerably below that grade level.

Project managers see their job as "building a bridge between the world of the street and the world of offices, desks, schedules, and responsibilities" and persuading participants to surrender some of their hostility to middle-class values and, in turn, employers to unbend a bit in their expectations of how these youth will perform on the job—at least, initially. The project uses personal counselors from much the same background as the participants—ex-offenders themselves who know the ghetto and correctional institutions from the inside—and provides job placement and counseling services. It has succeeded in obtaining dismissal of criminal charges for 39 percent of the first 725 participants to complete their 3 months in the project—almost all of those for whom dismissal of charges was recommended.

The first phase of the project thus demonstrated its feasibility. In the second phase, now underway, the project will work with new participants and examine the long-term effects of the project on participants' subsequent employment and recidivism records. At the end of 1970, New York City decided to build on this developmental effort,

[22] A July 1970 decision by a U.S. district court in California constitutes a breakthrough in removing arrest records as a barrier to employment. In *Gregory* v. *Litton Systems* (with the Equal Employment Opportunity Commission appearing as amicus curiae), the court found that "the policy of excluding from employment persons who have suffered from a number of arrests without any convictions is unlawful under Title VII" of the Civil Rights Act of 1964.

carrying forward the Manhattan activity on an enlarged basis and establishing a new branch project office in Brooklyn. This is the first step in institutionalizing the project so that the services offered may become a regular part of the criminal justice process.

A 39-percent success rate with a selected group may not seem overly impressive. However, successful intervention with even a fraction of a group beginning a lifetime of involvement with courts and prisons—a pattern attested to by expert observers—has a very significant potential for reducing the personal and social costs of crime.

In fiscal 1971 the Manpower Administration will mount a series of six pilot projects to build on the two R&D projects and to experiment further with the various mixes of participants, arrangements with courts, and program components and procedures that can be assembled under the rubric of pretrial intervention. Several State correctional agencies are reported to be planning to use portions of LEAA grants for projects of the same kinds.

Job Placement and Related Services

Most State employment service offices have long had special arrangements for bringing testing, counseling, placement, and other services to offenders. However, practically all have maintained that staff resources have been unequal to the task of supplying specially tailored services to the great numbers of offenders who need this help.

An intensified effort to find more effective ways of bringing manpower services to this seriously disadvantaged group began in 1970. Five State "models" are to be developed. The key will be specially trained and assigned staff. The State office in each model will have an "Offenders Desk" to plan, coordinate, and monitor efforts for probationers, inmates, and ex-inmates. Some local offices in large urban areas will also have specialized staff, and some staff members will be stationed in large correctional institutions. Model programs have been funded in Georgia, Oklahoma, and Arizona and will probably be added in Massachusetts and Pennsylvania.

The Federal Bureau of Prisons has been able to step up its education and employment assistance activities in recent years. During fiscal 1970 nearly 4,600 ex-inmates were placed in jobs or enrolled in school or vocational training—nearly 40 percent of all those released from Federal prisons. Staff training has been given Bureau personnel in community treatment centers, probation offices, and correctional institutions to emphasize the importance of employment assistance to inmates returning to the community and give information on how it can be provided. Another step under consideration is the addition of new positions, with the title "Release Program Monitor," in all Federal correctional institutions. The monitor's job would be to see that ex-inmates leave with the financial, occupational, and emotional wherewithal to survive, rather than with the proverbial subway token and ham sandwich.[23]

Research Needed and In Process

Some seminal research, demonstration, and training efforts have been mounted by the Department of Labor to determine how better to help persons who have been arrested and incarcerated. However, much must still be learned about the best technique for delivering and coordinating manpower services for offenders. Viable approaches for bringing about many overdue institutional changes should also be explored.

Hiring practices which adversely affect opportunities for offenders are another problem area in need of investigation. One study nearing completion will document the policies of State and local governments regarding the employment of persons with records of arrest or conviction.[24] Preliminary findings of the study confirm the often-stated allegation that criminal records constitute a major obstacle to public employment. Even an arrest which is not followed by conviction may be a barrier. Moreover, police records on juveniles are frequently made available to employers, both public and private, despite laws assuring the confidentiality of juvenile records. Few personnel departments provide policy guidelines for their employees concerning applicants with

[23] This is an actual but extreme example of the inadequate resources provided by correctional systems for the departing ex-inmate. There is enormous variation in practices. Many inmates are able to accumulate "gate money" from employment in prison industries, and furnishing the cost of transportation to the ex-inmate's home area is quite common.

[24] Herbrt S. Miller, "The Effect of a Criminal Record on Employment with State and Local Public Agencies" (Washington: Georgetown University Law Center, The Institute of Criminal Law and Procedure, in process).

criminal records, leaving screening decisions to individual judgment. The final report of the study will include recommendations for needed reforms.

Other planned research studies would be directed to:

—Surveying federally supported programs (grants-in-aid and others) which might serve significant numbers of offenders, with a view to developing viable linkages among programs in the local community.

—Refining knowledge of work release laws and practices to fully exploit this tool in the reintegration of the offender as a worker in the community.

—Developing procedures which will effectively coordinate parole and release decisions with employability development plans and with the completion of inmates' training.

—Devising more effective methods of vocational evaluation in a correctional institution's intake classification procedures and developing a model to survey total training needs in the institution.

—Exploring the special problems of inmates with language and cultural handicaps and how these can be met.

—Exploring techniques for aiding persons who are unable to pay fines and therefore face prison sentences.

—Developing techniques for assessing and meeting the training and related needs of persons serving short sentences (many of whom are women) and for making the resources of local manpower programs available to this group.

—Developing a model for revitalizing prison industries to more fully realize their potential to provide inmates with skills needed in the free community.

Coordination and Planning

The upsurge in program action to aid in rehabilitation of offenders, involving many agencies at all levels of government and also private industry and nonprofit organizations, has created a clear need for coordination and long-range planning. So far, a start in this direction has been made mainly at the Federal level, through the Inter-Agency Council on Corrections. The Council is assembling information on the relevant activities of its member agencies. In addition, a Review Panel for Correctional Research has been established, with representation from the Manpower Administration and other offices of the Department of Labor and from the Law Enforcement Assistance Administration and the Bureau of Prisons of the Department of Justice. The panel will advise and assist in planning and reviewing research projects and also in disseminating the findings. To be fully effective, however, the coordination of activities relating to offenders will have to extend to State and local as well as Federal agencies and also to many private groups.

For its part, the Department of Labor has as a general goal the more systematic alinement of the entire manpower system with the criminal justice and corrections network. Present program activities are designed to furnish opportunities for economic competence to the offender population in a variety of ways and at an increasing number of points in the criminal justice process, with the hope that eventually such opportunities will be available to all offenders who could benefit from them. Obviously, this long-range goal is still far distant.

DRUG ADDICTS AND ALCOHOLICS

The growing use of drugs and alcohol has recently emerged as a problem which must be faced by manpower program administrators. Large-scale use of drugs is a fairly new phenomenon—one that, as is the case with chronic alcoholism, cuts across ethnic, age, sex, and socioeconomic boundaries. It is estimated that there are in the United States between 100,000 and 200,000 narcotic addicts and over half a million nonnarcotic addicts—that is, people dependent on stimulants, sedatives, and tranquilizers. In addition, perhaps 500,000 people use amphetamines and barbiturates illegally, while at least 7 million, and perhaps as many as 20 million, Americans tried marijuana at least once during 1969. In addition to other social and individual costs, crime related to drug abuse is costing the country an estimated $5 billion a year as addicts steal to support the habit.

Reports from manpower program staff of baffling problems in handling drug addicts have in-

creased sharply in the past few years. In March 1969 the U.S. Training and Employment Service formally recognized drug addiction as an employment handicap—adding it to the list of recognized disabilities such as visual impairment, heart disease, and crippled limbs. Job applicants with disabilities on this list require and receive special assistance from local public employment offices. By 1970, USTES had assembled and distributed guidelines on dealing with drug addicts to State employment security agencies. However, publication of an "interviewing guide," which would give information about the disability and more sophisticated help in providing the needed special services, awaits the accumulation of additional experience and information. An interviewing guide on alcoholism, published in 1968, is widely used.

The special problems encountered by manpower program staffs in dealing with drug addicts and alcoholics were explored in a recent study conducted for the Department of Labor.[25] The report is based on relatively unstructured interviews with the staff of Community Action Agencies and Concentrated Employment Programs and of private organizations in six cities—New York, Boston, New Haven, Washington, Cleveland, and Los Angeles. Following are highlights of the expressed views and experiences of these people, who are involved in designing and delivering manpower services at many levels of responsibility:

> —Although most programs try to "screen out" known or suspected addicts and alcoholics, the proportion of enrollees with these problems appears high.[26]
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> —The incidence of drug use is greatest among those under 30 years of age; among older persons, alcohol misuse is more characteristic.
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> —The manpower staff interviewed had an overriding concern about their own and their colleagues' lack of information on how to deal with the problems presented by drug addicts and alcoholics. Some unanswered questions are: How can addicts be distinguished from experimenters? What are the significant differences between users of "hard" and "soft" drugs? How can we communicate with drug users, who have a special vocabulary? When a user is placed in a training situation, what are the results for him and for other trainees?[27]
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> —Staff members at all levels were overwhelmingly of the opinion that their efforts to help had been singularly unsuccessful. Although there were no supporting data, the consensus was that the success rate did not approach that of efforts with "clients who are simply poor," which was appraised at 60 to 75 percent. For the most part, addicts and alcoholics failed to complete training programs, and those who managed to do so rarely achieved employment stability.
>
> —The result for the staff was, generally speaking, a feeling of deep frustration, since the desire and will to help were pervasive. Opinions differed as to whether manpower programs should be working with addicts and alcoholics. Some staff members regard these people as having medical problems to be treated in a medical setting. Some stressed that scarce manpower resources should be directed wholly toward persons who have a good chance of stable employment after training. However, a larger number thought that manpower programs are appropriate vehicles for working with addicts and alcoholics since, in their judgment, these programs' primary mission is to help those most in need of help.
>
> —Employers are generally unwilling to hire drug users or ex-addicts or alcoholics, an especially inhibiting factor in serving them successfully at a time when many other workers are seeking jobs.
>
> —Concern was expressed that the general emphasis on program success (as measured by placement records and cost-effectiveness considerations) mitigates against serving the hardest of the hard-core unemployed, including addicts and alcoholics.
>
> —Another area of concern was the lack of coordination and cooperation between man-

[25] I. Ira Goldenberg, *Special Problems in Existing Manpower Training and Opportunity Programs: Drug Addiction and Alcoholism* (Cambridge: Harvard University, 1970). This survey was conducted under contract with the Department of Labor, Manpower Administration.

[26] The experience of the Manhattan Court Project, described in the previous section, offers corroborative evidence.

[27] A partial answer to this question was reported in the same study. By staff observation, the drug user in a manpower program is unreliable (often absent, late), contagious (spreads the habit by "pushing" drugs with his classmates), disruptive ("acts out" his problem in ways disturbing to teacher and classmate), and unpredictable (thereby demanding excessive attention from the teacher and creating tension).

power programs and the traditional mental health and vocational rehabilitation programs—owing to different philosophies and concepts of service and conflicting referral and other procedures. Closer ties might help the clients of both types of programs and compensate in some measure for the inadequacies of manpower agency staffs in dealing with addicts and alcoholics.

Caution is in order in the interpretation of a single study, especially one limited to surveying opinions, however knowledgeable. But the findings, coupled with related observations and experiences from other sources, point to a large and even frightening problem.

Modification in program operations may be indicated to make access to a meaningful job a more realistic alternative to the growing pattern of drug abuse behavior, especially among ghetto youth. Some general questions for investigation and resolution include:

—Should manpower programs concentrate on good risks and consider the drug addict and alcoholic as "lost"?

—Or should manpower programs accept drug addicts and alcoholics only after they have been or are being rehabilitated in a medical setting?

—What special staffing or other practices are necessary if manpower programs are to accept this group in whatever condition they present themselves (or are referred by other agencies) and attempt to work with and for them?

—Should manpower staff be given training in differentiating among types or classes of addicts and alcoholics and in appropriate ways of serving them?

—How can better cooperative arrangements between manpower and treatment and social agencies be achieved, so as to improve the total services rendered the group?

To make a start in investigating these problems, two R&D projects involving Job Corps enrollees will be started in 1971. One project, to be conducted at three different centers, will explore the value of special assistance to enrollees who are found to be on drugs. The other will accumulate data around which a sound drug education program for enrollees and center staff can be developed. In addition, some pooling of experience and information among agencies may be helpful in the near future, to further define the nature and dimensions of the drug and alcohol problems and suggest ways of dealing with them.

VOCATIONAL REHABILITATION OF THE HANDICAPPED

The Federal-State program of vocational rehabilitation, begun half a century ago in 1920, has been substantially enlarged and amended over the years, most recently in 1968. New levels of service were reached in fiscal 1970, when 411,000 physically or mentally disabled persons were newly accepted for rehabilitation, 876,000 were served (including cases carried over from the previous year), and 267,000 were rehabilitated.

A person is considered rehabilitated when enabled to engage in a gainful occupation or function successfully as a homemaker. The work status of persons rehabilitated upon completion of the program in fiscal 1969 was as follows:

Work status	*Percent of rehabilitants*
Total	100.0
Wage or salary workers:	
Competitive labor market	76.8
Sheltered workshop	3.1
Self-employed	3.7
Homemakers	14.2
Unpaid family workers	2.3

NOTE: Detail may not add to total because of rounding.

The vocational rehabilitation program is administered by the Rehabilitation Services Administration of the Department of Health, Education, and Welfare. State agencies receive Federal money, with 20 percent State matching, to provide medical diagnosis and treatment, vocational training, counseling, and other needed services on a highly individualized basis. To be eligible, an applicant for services must have a physical or mental disability which constitutes a substantial handicap to employment but will respond to rehabilitation services.

In 1970 a wide variety of innovative projects were funded in addition to the usual basic services. These projects were pointed toward:

—Special disability groups—the blind, the mentally ill and retarded, drug addicts,

and persons with certain severe physical disabilities.

—Groups in the poverty population—Indians, welfare recipients, criminal offenders, and other urban and rural poor.

—Augmenting the short supply of rehabilitation manpower—through the training of some thousands of teachers, nurses, doctors, therapists, and counselors, as well as counselor aides and other nonprofessionals, many of whom are themselves handicapped.

An example is a new Projects with Industry program in which a variety of supportive services are provided disabled persons, many of them disadvantaged, while they are engaged in on-the-job training. Three projects for $450,000 were funded during the year in Milwaukee, Cleveland, and Long Island for training in skills used in heavy industry, small businesses, and offices.

A development in 1970 was the application of new authority added to the Vocational Rehabilitation Act to furnish rehabilitative services to the mentally retarded. A total of 24,300 were served during the year. In addition, short-term training was given to 1,400 professionals and nonprofessionals working with this population.

The thrust of the public vocational rehabilitation system toward service to the disabled poor continues through emphasis on serving disabled welfare recipients. In fiscal 1970, 32,300 disabled persons who were on public assistance at some point during the rehabilitation process were rehabilitated, and 113,200 persons in this category received services during the year. This was a substantial increase over 1969, largely because joint public assistance and vocational rehabilitation agency action programs brought increased resources and staff to bear and because referral procedures and selection criteria were improved. Joint training of staff by State vocational rehabilitation and welfare agencies was undertaken. The numbers of persons receiving social security disability benefits who were rehabilitated through VRA services also increased between fiscal 1969 and 1970, from 15,400 to 17,200.

In 1970, State vocational rehabilitation (VR) agencies became increasingly involved in the Work Incentive (WIN) Program, with special assignment of staff to work on WIN cases in many States. In a rising number of localities, VR counselors sit on boards to screen clients for referral to WIN. A number of States report use of VR rehabilitation centers and workshops for evaluation in the WIN screening process.

Other manpower activities in 1970 included minor medical services provided for 8,000 MDTA trainees at a cost of $218,000—25 percent higher than in 1969. An additional 1,900 MDTA referrals were accepted as clients for regular vocational rehabilitation services.

Programs for Veterans and Servicemen

Over a million men and women left the Armed Forces in 1970, and a similar number of separations is expected in each of the next few years. About 120,000 of those separated each year are members of minority groups. Many will continue their education, but the great majority look for jobs.

Veterans have felt the effects of the recent overall increase in unemployment. During the last half of fiscal 1970, 159,000 veterans received first payments under the Unemployment Compensation for Ex-Servicemen (UCX) program—93 percent more than during the same period of fiscal 1969. The corresponding increase in first payments to all State UI beneficiaries was only 55 percent. The relative disadvantage of the veterans is readily explained by their comparative youth and by the fact that many of the younger men have had no civilian work experience. They are also likely to have lost touch with the normal channels to jobs during their periods of service.[28]

JOBS FOR VETERANS PROGRAM

Recognizing the national obligation to those who have served in the military, the President launched

[28] For more detailed information on unemployment among veterans, see the chapter on The Employment and Unemployment Record.

a major effort in late 1970 to provide maximum employment and training opportunities for veterans. Known as Jobs for Veterans, this is a cooperative effort involving all levels of government and business, and labor and community organizations. The campaign fulfills recommendations of the President's Committee on the Vietnam Veteran which suggested that stronger efforts should be made to improve the access of veterans to jobs and training opportunities.

Significant features of Jobs for Veterans include:

—Nationwide television, radio, and press coverage furnished by the National Advertising Council.

—Additional advertising and publicity in the journals and newspapers of industry and labor.

—A mail campaign (including a reply card) directed to over 900,000 employers asking their help in marshaling job and training opportunities to which veterans can be referred by State employment services.

—A Government steering committee consisting of representatives of the Departments of Labor, Commerce, and Defense, and the Veterans Administration to coordinate the efforts of Federal agencies.

—Letters to Governors, Mayors, city managers, and county executives from the President to encourage the formation of local task forces to support the effort.

—Letters to union presidents, officials of veterans' organizations, and heads of Federal agencies to develop active support and participation.

—Manpower services such as counseling, testing, referral, and placement in jobs or training furnished to veterans by the State employment services on a priority basis.

MANPOWER SERVICES TO VETERANS

Each of the 2,400 local offices in the public employment service system offers special services to veterans and sees that they are accorded their legally guaranteed preference in referral to jobs and training. Employment service personnel make periodic visits to some of the larger separation centers and may be assigned temporarily to military bases and hospitals to provide servicemen about to be separated with job market information, employment counseling, and placement assistance. In addition, returning servicemen are contacted by mail and telephone and urged to visit their local employment service office, where information and many services await them.

Altogether, 2 million new job applications were received from veterans in fiscal 1970—13 percent of all new applications received by the public employment service. Thirty-six percent of all male applicants were veterans, compared with 32 percent in fiscal 1969. However, placements of veterans were down 14 percent from the previous year, to 970,000—about on a par with the overall decline in placements during this period. These placement figures relate to veterans of all ages and periods of services. Perhaps 2 in 10 were placements of new veterans, separated from the service in the previous 3 months.

In the public employment service system, the veteran has first priority for selection and referral to manpower training programs, as he has in job referrals. Veterans accounted for about 46,000, or 21 percent, of the new enrollees in MDTA institutional and on-the-job training in fiscal 1970. This training has been made more attractive to veterans by 1970 amendments to the Veterans' Readjustment Benefits Act, the present-day GI bill, which permits simultaneous payments of training allowances under both this act and the Manpower Development and Training Act—provided that the veteran and the training meet eligibility standards under both programs.

In the manpower programs directed exclusively to the disadvantaged, there are relatively fewer veterans. Nevertheless, 14 percent of the 112,000 enrollees in the Concentrated Employment Program in fiscal 1970, and almost 9 percent of the 93,000 Work Incentive Program enrollees, were veterans.

The Office of Veterans Reemployment Rights in the Department of Labor helps veterans exercise their legal right to return to the jobs they held before entering the service—with the seniority, higher wage rates, and added fringe benefits they would have attained had military service not intervened. During fiscal 1970, 4,800 veterans sought the assistance of the Office and 98 percent of the complaints were settled through negotiation. The

remaining few were referred to the Department of Justice for litigation.

Greater efforts—particularly the Jobs for Veterans Program—require larger staff resources. An additional 335 positions have been allocated nationwide to State employment services to strengthen veterans' services. In these expanded services, it is planned to take full advantage of the latest manpower techniques—including the computerized job banks now operating in many large labor market areas.[29]

Veterans Assistance Centers (USVAC's) are operated in 71 cities by the Veterans Administration. They provide a full range of services having to do with health, housing, education, and employment. In 17 of the centers, veterans employment representatives from State employment services are assigned full time or make regular visits to provide job referral and placement assistance.

Under Civil Service Commission regulations, veterans with less than 1 year of education beyond high school may be hired in one of the first five levels of Federal service, provided they agree to pursue a part-time educational program under the GI bill. Of course, qualified veterans who apply for positions at all levels are given priority according to the long-established veterans preference standards.

TRAINING AND EDUCATION UNDER THE GI BILL

Benefits provided under the Veterans' Readjustment Benefits Act of 1966 are potentially the most important assistance available to veterans who are pursuing on-the-job training programs or who are going to school or college. In order to help meet the rising cost of living and mounting educational expenses, in early 1970 the monthly basic educational allowance was raised to $175 for a veteran with no dependents. This increase and allowance increases in other programs such as apprenticeship and vocational rehabilitation are expected to interest more veterans in participating in the education and training options open to them.

The total number of Vietnam era veterans who had received educational and training benefits through November 1970 was approximately 1.3 million. About 60 percent of them enrolled in college or postgraduate studies. Nearly 10 percent (124,000) enrolled in apprenticeship or other on-the-job training.

Another GI bill program offers remedial education to veterans who had not completed high school at the time of their separation from military service. This program enables veterans to qualify for high school diplomas or college entrance and does not reduce their entitlement to college or vocational allowances. Only about 57,000 out of a total of 800,000 eligible Vietnam era veterans have enrolled in this program. However, more than 178,000 without high school diplomas have participated in other training programs.

PROGRAMS FOR SERVICEMEN

Several small experimental programs are being conducted by the Department of Defense to assist in the career development of servicemen with academic deficiencies. Individuals are given remedial and preparatory education while in service, leading to their postseparation admission to schools and colleges.

According to Department of Defense estimates, about half of the men separated from military service have acquired skills useful in civilian jobs, although many do not fully utilize them. However, about 1 in 5 servicemen have had only combat-related assignments, and their prior education and work experience did not qualify them for civilian jobs. For this group, most in need of help, the Department of Defense established the Transition Program. Counseling, on-the-job training, and employment assistance are offered, with the cooperation of other government agencies, both Federal and State. Program activities are scheduled during the months immediately prior to separation, so that they will not interfere with duty assignments. Training is provided by private employers, including over 50 large companies and more than 1,000 smaller firms. Approximately $4 million in MDTA funds was used in fiscal 1970 to provide skill training for 11,800 servicemen in a variety of occupational areas, including law enforcement, water pollution control, carpentry, bricklaying, and stonemasonry. Altogether, from

[29] See appendix on Job Matching and Labor Market Information Programs for a discussion of these job banks.

the start of the Transition Program through October 1970 about 125,000 servicemen were trained and over 800,000 counseled.

Although the Transition Program has been a valuable means of smoothing the transition to civilian life for thousands of servicemen, it is necessarily limited in its coverage. Experience has shown that servicemen who are overseas until shortly before discharge do not benefit from the program and others who have military assignments from which they cannot be spared, of course, cannot participate.

Another aid to servicemen who will be leaving the Armed Forces soon is a film on jobseeking in civilian life produced by the Veterans Employment Service. This will be shown at overseas and domestic military bases and in separation centers. In addition, representatives from the Department of Labor, the Veterans Administration, and the Department of Defense will serve on teams to brief servicemen in Vietnam, Okinawa, and Germany with regard to education, training, and employment programs for veterans, and other subjects bearing on their return to civilian life.

Administering and Delivering Manpower Services

PROGRESS IN DECENTRALIZATION

Efforts to decentralize and streamline manpower program planning and administration were intensified by the Department of Labor during 1970. Operating authority has been delegated to regional offices of the Manpower Administration and increasingly, within the existing legislation, to State and local government agencies. Efforts also continued to achieve more and better linkages between programs (as indicated in the preceding discussions of individual programs).

As an initial step, the Office of the Manpower Administrator was restructured and staffed to function as the focal point for transmitting authority and direction to the Regional Manpower Administrators. Next, the structure of regional offices was modified to insure a single channel of communication to States and program sponsors. Area operations offices were established to plan, promote, develop, and monitor federally financed programs within specific geographic areas. Instead of developing expertise in a particular program, the regional office staff members with responsibility for program operations are now expected to be familiar with all manpower programs and have specialized knowledge of particular States. However, they are supported by staff units which assist and advise on technical questions, contracting regulations, and program guidelines.

An overall operational planning and control system has been developed in Washington for the use of Regional Manpower Administrators. This is a simplified means of weighing the performance of manpower programs against plans and objectives in order to identify problems and spark corrective actions.

Steps were also taken in 1970 to increase the roles of Governors and Mayors in planning the allocation of resources among different manpower programs and services. The Manpower Administration made planning grants to State Governors and to the Mayors of a number of large cities, so that they can employ staff to develop manpower plans and participate more effectively in CAMPS (the Cooperative Area Manpower Planning System). Funds are available also to State employment services to enable them to hire the staff needed to support CAMPS efforts for cooperative and comprehensive planning. The number of positions authorized for this purpose as of December 1970 totaled 657, of which 225 were in Governors' offices, 213 in Mayors' offices, and 219 in employment service agencies.

REALINEMENTS IN THE PUBLIC EMPLOYMENT SERVICE

As the Nation's primary supplier of manpower services, the public employment service has faced a continuing need to adjust and change during recent years. The primary adjustment has been, of course, to accommodate operations to serving the disadvantaged through manpower development programs. And in 1970, the employment

service also made some modifications in operations in response to the economic slowdown.

Early Warning System

New emphasis was placed in 1970 on the "early warning system" for mass layoffs, a nationwide undertaking monitored by the Department of Labor's U.S. Training and Employment Service. This system was employed during the year in each of the States and Puerto Rico. While all States reported some layoffs, engineering firms and aerospace industries in Washington, California, and Long Island, N.Y., were particularly hard hit, as were textile and shoe manufacturers in New England and the Southern States.

At the first indication of a mass layoff, the local employment office communicates with management and union representatives to explain the range of services it can offer. After estimating reemployment prospects in the area, the office determines whether it will be able to handle the expected numbers of jobseekers and unemployment insurance claimants and, if not, may arrange for additional resources. Discussions may also be held with community leaders and officials regarding the contributions they can make.

Thereafter, local office staff members meet with affected employees to inform them of benefits available, take job applications, and find out if they have secondary skills. If the layoff is alleged to result from increases in foreign imports, affected workers are informed about assistance available to them through the Trade Adjustment Assistance Program. Interarea recruitment mechanisms are used if necessary, and direct recruitment by out-of-area employers is encouraged.

Altogether, the employment service mass layoff procedures not only stimulate planning and action by the local office but also alert State, regional, and national offices to local needs.

Use of Job Banks by Defense Contractors

Another 1970 development was a joint plan by the Departments of Labor and Defense to encourage defense contractors to list their job openings with the job banks. Approximately 240 major defense contractors in 10 cities (Bridgeport, Hartford, Boston, Buffalo, Newark, Birmingham, Detroit, Omaha, Tulsa, and Oklahoma City) were covered by the plan beginning in November 1970.

Additional cities and contractors will be covered at a later date, assuming a favorable evaluation of the initial experience. The result will be the inclusion of more opportunities in the job banks and a larger pool of labor market information for employment service guidance in manpower planning—for example, in identifying occupational training needs for MDTA projects.

The Experimental, Three-Tiered Employment Office

The Comprehensive Manpower Agency System, put into effect experimentally in a few local employment offices during 1970, is designed to gear these offices to individuals' varying needs. Three levels of services are offered—a streamlined, self-help service; a combination of job development and direction in planning a personal job search; and intensive employability services to the most disadvantaged. Essential elements in the functioning of this system are an effective employer services program and extensive labor market information. An automated job bank is also necessary.

Several major departures from traditional employment service approaches are involved. One is the provision for different levels of service, based on the needs of individual job applicants. Another is the centralization of job orders, so that they can be available to a wider range of applicants. Additionally, an employability development team assures that each person in a limited caseload of disadvantaged jobseekers will receive all services required to meet his individual needs. Finally, the volume of applicant information recorded is reduced to a minimum.

The new system is being tested in local employment service offices in six cities—Syracuse, San Antonio, Memphis, Phoenix, Pittsburgh, and Wichita. Concurrently, an outside consultant is testing a modified model in Hartford, Baltimore, Milwaukee, and Tacoma, and also in one rural area (Ephrata-Moses Lake, Wash.). Local office staffs were given a great deal of autonomy in working out the specific procedures. An evaluation of these experiments is to be completed in May 1971, after which a determination will be made whether to expand the system to other cities.

Computer-Assisted Systems

The development of manpower programs has posed a need for more flexible, direct, and rapid services to employers and jobseekers. To this end, the establishment of a network of computer-assisted State manpower systems has been set as a major goal of the Manpower Administration.[30]

In introducing modern computer technology to employment service operations and working toward a national computer job bank, the Manpower Administration is proceeding step by step. Each major new step is installed experimentally and is carefully evaluated before the next one is taken—thus avoiding the disruption likely when a revolutionary new system is installed everywhere all at once.

Job Banks. The first computerized job bank, which daily centralizes and disseminates job order information for an entire metropolitan area, began operating in Baltimore in May 1968. By January 1971, 59 cities in 35 States had job banks. The goal is to have them in operation in 111 metropolitan areas by mid-1971.[31]

A standardized computer system design has been developed for job banks, making feasible the current effort to expand job banks to encompass interstate labor market areas, statewide systems, and nationwide linkages. Several interstate job banks are already established, e.g., in Washington, D.C., which includes local offices in Virginia and Maryland, and in St. Louis, which includes local offices in Illinois and Missouri.

Model Automated Data Processing Systems. As part of the long-range goal of developing a network of more sophisticated computer-assisted systems for matching workers and jobs, the Manpower Administration is working with four States to test experimental designs. These experimental job matching systems are in operation in Utah, Wisconsin, California, and New York.

In addition, 10 State employment services have established automatic data processing teams which will experiment with a number of computer applications to employment service operations.

Improvements in Local Office Techniques

The year 1970 saw a number of efforts to further improve the quality of counseling and testing services offered by the public employment service.

To increase staff capability, a 2-year training project was instituted to upgrade carefully selected local office interviewers and coaches to positions as beginning counselors. In addition, the standards recommended for use by State agencies in recruiting and promoting counseling and counseling-support staff were reviewed and revised, to remove unrealistic academic or other qualifying requirements.

The General Aptitude Test Battery (GATB), a basic tool in measuring the aptitudes of job applicants and of candidates for occupational training, is beyond the literacy level of many of the hard-core unemployed. To meet this problem, USTES has developed a Nonreading Aptitude Test Battery measuring the same nine aptitudes as the GATB for use with disadvantaged individuals.

Since most disadvantaged individuals are unfamiliar with tests and fear group testing situations, many do not show up for scheduled testing and others tend to score lower than they should. Three tools have been developed for use in orientation of individuals before testing. These are a booklet of helpful suggestions, including a short sample test; a set of pretesting orientation exercises (that is, supervised practice in test taking); and a lecture-discussion technique covering the purpose and uses of tests.

Another promising effort concerns work samples—that is, standardized job tasks designed to assess the capabilities of disadvantaged applicants for training and job placement. In 1968, a work sample technique was developed by the Jewish Employment and Vocational Service of Philadelphia in cooperation with the Pennsylvania

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[30] For more detailed information on the development and growing use of computerized systems for matching men and jobs, see appendix on Job Matching and Labor Market Information Programs.

[31] A reorganization of employment service placement operations is a necessary accompaniment to installation of a job bank. Although local variations are possible, the Baltimore experience is indicative of the nature of changes: Separation of the job order taking and placement functions, formerly handled by one individual, the placement interviewer; sharing of job orders by the Maryland Department of Employment Security with other employment-oriented nonprofit community agencies through the job bank book; and stationing of more placement interviewers in poverty neighborhoods. Measures to accomplish the first two innovations have been required by the Department of Labor as new job banks are put in operation. A third requirement is creation of a State manpower data processing system team in preparation for the subsequent development of a fully computerized job-worker matching system.

Bureau of Employment Security. This technique has now been installed in manpower programs, primarily WIN and CEP, in more than 30 cities. The new work sample tool is undergoing extended evaluation, to check its usefulness in working out employability development plans for disadvantaged individuals.

Employer Services

With intensification of services to job applicants, a parallel need for increased and improved services to employers has arisen. In the 1960's, concentration of staff time on services to disadvantaged jobseekers resulted in a decline in employer services, as well as certain other activities. Then, in 1970, the loosening of the labor market created a need for more job orders in a variety of occupations and so required an increased emphasis on job development activities.

Accordingly, efforts are being made in public employment offices across the country to restructure and improve employer services. Special training has been provided to some 500 Federal and State employment service personnel on how to establish and maintain close working relationships with employers and business associations.

REDESIGN OF THE CONCENTRATED EMPLOYMENT PROGRAM

The Concentrated Employment Program (CEP) was initiated in 1967, to make possible a concentration of program resources and coordinated delivery of manpower services in city slums and rural poverty pockets.[32] Contracts were signed making a single sponsor (usually the Community Action Agency) responsible for overall management of each CEP. This arrangement had considerable success in assuring the combination of training and supportive services required to meet local needs. However, serious management deficiencies have plagued the complex operation from the beginning, and the desired degree of coordination among local agencies was not being achieved in many CEP target areas.

Therefore, in 1969 a thorough redesign and management improvement effort was launched. Implementation of this plan in the approximately 80 local CEP's has been a major undertaking in 1970. The principal features of the effort at management improvement are these:

—Firmer guidelines governing intake procedures have been introduced with the result that better services have been furnished to smaller numbers of enrollees.

—Improved referral techniques were developed so that clients who could be served more effectively by other agencies (e.g., drug addicts, alcoholics, and the handicapped) are referred promptly.

—The use of employability development teams was made universal, so that each enrollee receives individual attention from the start of his CEP experience until its completion.

—Job development was emphasized, and the responsibility of the employment service for its management was clarified.

—Complex contracting and budgeting processes were greatly simplified.

—An integrated management information system was developed, which helps local CEP managers to measure their progress against their own predetermined goals and calls attention to areas requiring special effort and action.

—Extensive training in all aspects of CEP planning and fiscal and operating management was given to about 1,000 persons on the staffs of the CEP sponsors, of State employment services, and of Department of Labor regional offices.

The relationships between the CEP prime sponsors and the subcontractors who provide training and other services (particularly between the CAA as project manager and the employment service as deliverer of manpower services) were clarified. Difficulties in this area have been perhaps the most prevalent problem in CEP's. During 1970, understandings with regard to the responsibilities of the various agencies involved were worked out locally and made a part of the contract, as were performance standards.

A marked improvement in CEP management

[32] For a description of the concept and organization of the CEP, see *1969 Manpower Report*, pp. 128–135.

has been observed, with internal confusion and dissension minimized. After a year of operating experience under the new management system, the outlook is for more effective CEP performance in helping the seriously disadvantaged prepare for and obtain jobs.

Strengthening the Unemployment Insurance System

In 1970, the unemployment insurance system:

—Observed its 35th anniversary and crossed the $50 billion mark in payment of regular benefits to unemployed workers.

—Paid over $10 million in Disaster Unemployment Assistance, in the first full year of operation of this new program.

—Paid almost $5 million in trade readjustment allowances, the first payments made under this program since its enactment in 1962.

—Witnessed the passage of the historic Employment Security Amendments of 1970 (P.L. 91–373) and began implementing their important provisions.

THE EMPLOYMENT SECURITY AMENDMENTS OF 1970

These amendments are rightfully called the most significant ones in the history of the program. By 1972, they will bring about the largest extension in the coverage of the system yet authorized, will greatly strengthen its financing, and will provide an automatic response to rising unemployment by extending the duration of claims when the rate of insured unemployment reaches a specified level.

Wider Coverage

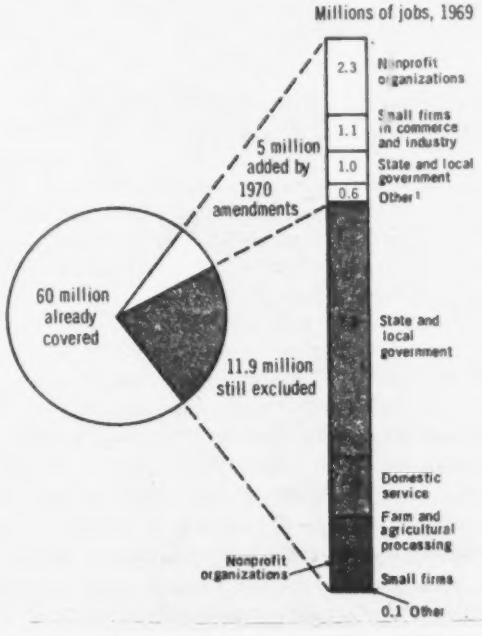
The 1970 amendments added 5 million jobs to the 60 million now protected by UI. (See chart 9.) This increased coverage, to be fully effective in 1972, adds more than 6 percent to the 78 percent of all wage and salary employment already covered by State and Federal programs.

Employees of nonprofit establishments are the largest group brought under UI coverage. Whereas, previously, limited coverage of nonprofit establishments existed in only four States, a total of about 2.3 million jobs in nonprofit organizations having four or more employees in 20 weeks of the calendar year will now be covered by unemployment insurance on a national basis.

The second largest group of workers affected are 1.1 million who work for small firms. All establishments which either employ one or more

CHART 9

Five million jobs were added to UI coverage by 1970 amendments.



[1] Includes jobs in farm and agricultural processing and jobs of U.S. citizens employed by U.S. firms overseas.
Source: Department of Labor.

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workers in at least 20 weeks in a year or have a payroll of $1,500 or more in a calendar quarter will now be covered.

"One or more" coverage has been 35 years in the making. Initially, the Social Security Act called for coverage of employers having at least eight employees in each of 20 weeks during the year, on the assumption that the administrative problems involved in coverage of smaller firms would be too great. Nevertheless, in 1954 the program was enlarged to include employers with four or more workers, and over the years individual States expanded protection even further. By 1970, over half the States had coverage provisions which were broader than the Federal protection—in fact, a third of them had small firm coverage comparable to that achieved nationally under the new amendments.

The third largest number of workers affected by the new legislation are 1 million employed by State hospitals and State institutions of higher education. Until now, coverage of State government workers has been at the option of individual States, and although 36 States have mandatory or elective provisions for coverage of State and local government workers, only about 6 percent of the total number of such workers have been protected. The new legislation requires that States permit cities and counties to bring their hospitals and institutions of higher education under UI coverage.

The new legislation also extends coverage to approximately 200,000 jobs in agricultural processing activities, to almost 200,000 jobs held by U.S. citizens employed by American firms outside this country, and to about 200,000 other jobs such as agent-driver and outside salesman by broadening the program's definition of an "employee."

Extended Benefits

A major achievement of the new legislation is provision for a longer duration of benefits in times when unemployment is high. Although nine States had enacted permanent programs of this kind prior to 1970, national programs of extended benefits had always been of a temporary nature. In the 1958–59 recession, $600 million was paid out in a special extended benefit program; in 1961–62, a second such program paid out $770 million. But the efficacy of these programs was reduced by the delay involved in getting the necessary legislation passed.

The new program, which must be in effect in all States by 1972, is a permanent program, to be financed jointly by the Federal and State governments. At any time after the beginning of 1972, when the national insured unemployment rate reaches 4.5 percent or more (seasonally adjusted) for 3 consecutive months, the program will be triggered into operation in all States. Workers who exhaust their regular benefit rights will have them extended by 50 percent, up to a maximum of 39 weeks (including both regular and extended benefits). The provision remains in effect until the national unemployment rate drops below 4.5 percent for 3 consecutive months.

Under a parallel but slightly different provision, which could be made effective by State legislatures as early as October 1970, a rise in unemployment in a single State may trigger extended benefits there even when this has not happened nationally. By January 1971 nine States had already passed the necessary legislation and were paying extended benefits.

Financing the Enlarged Program

The rise in administrative costs of the unemployment insurance program over the past several years parallels the general rise in salaries, equipment prices, space rentals, and other nonpersonnel costs. In fact, costs threatened to outpace available funds, especially since funds for administration are derived from taxes on employers applied only to the first $3,000 paid to a worker in a calendar year.

In 1969, recognizing that the inadequacy of revenues threatened sound administration, the Congress provided stop-gap legislation which speeded up tax collections by requiring quarterly payments of the tax beginning in 1970. The Administration had also requested that the taxable wage base be increased to $4,800 for 1972 and 1973, and to $6,000 effective in 1974. In addition to providing needed revenue, these increases would have corrected some of the present inequities in application of the tax, under which high-wage employers have contributed less than their share to the financing of the program.

In the Employment Security Amendments of 1970, Congress sought instead to cope with the

financing problems by increasing the Federal UI tax from 3.1 percent to 3.2 percent, retroactive to January 1, 1970, and increasing the taxable wage base from $3,000 to $4,200, effective January 1, 1972. While these changes will meet the financing problems temporarily, financing difficulties can be expected to recur by the mid-1970's.

Research, Training, and Judicial Review

In the past, most unemployment insurance research has been undertaken by individual States. The 1970 amendments make the first provision for a continuing and comprehensive research program on a national basis, authorizing up to $8 million annually for this purpose. Specifically mentioned as research targets are "factual studies covering the role of unemployment compensation under varying patterns of unemployment including those in seasonal industries, the relationship between the unemployment compensation and other social insurance programs, the effect of State eligibility and disqualification provisions, the personal characteristics, family situations, employment background and experience of claimants . . . ." Also called for is research on extension of coverage, especially to farm labor.

Training of State and Federal staff in order to improve program administration, especially with respect to the handling of claims, is specifically provided for. The amendments authorize the expenditure of up to $5 million annually for this purpose.

Judicial review of findings by the Secretary of Labor which are adverse to a State is authorized for the first time. A State so affected may, within 60 days, petition the U.S. Court of Appeals for the District of Columbia or the appropriate circuit court for a review of the findings. The filing of such an appeal would stay any action by the Secretary for an additional 30 days. The court could then decide if further relief is warranted.

ADDED RESPONSIBILITIES OF THE UI SYSTEM

Employability Services to Claimants

A new role for the unemployment insurance system in the reemployment process has begun with the Employability Services to Claimants project. The activity had its root in the New York City Claimant Advisory Service Program (CLASP), which began in 1967. In 1969 and 1970, a national pilot project was developed in 13 cities, which have more than a fifth of the national claims load.[33]

In the participating cities, UI staff provides claimants with job market information and aids them in developing job-search plans. Using job bank information where it is available, the staff refers job-ready claimants to openings, thereby lightening the load on public employment offices.

Trade Readjustment Allowances

Although the Trade Expansion Act has since 1962 provided for assistance to workers who lose their jobs as a result of increased foreign imports, not until December of 1969 was the first petition for trade readjustment allowances certified by the Tariff Commission (as discussed earlier in this chapter). Payments began in early 1970 and are being made through the unemployment insurance system.[34]

By the third quarter of calendar 1970, $4 million in assistance payments had been paid to 4,300 workers. Trade allowances are currently being paid in 10 States—Massachusetts, Pennsylvania, California, Rhode Island, Indiana, Illinois, Ohio, Michigan, New York, and Oklahoma—to unemployed workers from industries making such diverse products as transmission towers, ladies' shoes, and pianos. Weekly payments amount to 65 percent of the individual's average weekly wage, or 65 percent of the average weekly manufacturing wage, whichever is less (a substantially higher benefit than under the regular UI program).

Disaster Unemployment Assistance

The Disaster Relief Act became law on October 1, 1969. The Office of Emergency Prepared-

[33] The cities are Seattle, Boston, Phoenix, Minneapolis-St. Paul, San Francisco-Oakland, Pittsburgh, Hartford, Newark, a part of New York City, Chicago, Milwaukee, Cincinnati, and St. Louis. Similar programs under State sponsorship are underway in Georgia, Tennessee, Mississippi, Alabama, Maryland, Utah, and Oregon. Projects in Baltimore, Phoenix, and Pittsburgh are being closely coordinated with the USTES Comprehensive Manpower Agency Models in those cities.

[34] Allowances are paid from Federal funds and have no effect on employers' unemployment insurance experience ratings.

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ness, which administers the legislation, delegated to the Department of Labor the responsibility for making weekly cash payments to individuals whose unemployment results from natural disaster. Major disasters occurring after July 1, 1967, are covered by this act and amending legislation.

Such disasters—hurricanes, tornadoes, storms, floods, forest fires—are not uncommon. Since the effective date of the program, 70 have occurred, bringing with them much hardship in a total of 37 States.

The Nation's first disaster unemployment assistance was paid on December 19, 1969, to residents of Mississippi who had become unemployed as a result of Hurricane Camille's fury. By late 1970, more than 42,000 individuals in 14 States, the Virgin Islands, and Puerto Rico had benefited from this new program; about $11 million in assistance had been paid (out of general revenue).

Benefit payments are made by the UI system. In general, payments equal the average weekly payment for total unemployment under the State's UI law.

OBJECTIVES FOR THE FUTURE

Extension of Coverage

Although Congress failed to include *farm labor* coverage in the 1970 amendments, the act directs the Secretary of Labor to "establish a program of research to develop information . . . as to the effect and impact of extending coverage to excluded groups with first attention to agricultural labor." That research has begun. Eighteen States are involved in the research projects, most of which are conducted under the guidance of a committee representing the agricultural experiment stations of 12 land-grant universities. Preliminary cost data are expected to be available early in 1971, and proposed legislation providing farm labor coverage will undoubtedly be submitted to Congress at that time.

Employees of State and local governments represent almost 8 million of the nearly 12 million wage and salary workers who will still lack UI protection in 1972. To date, only 10 States have mandatory coverage of State employees and only two of local government employees, and in States with provisions for elective coverage the results have been insignificant.

The recent mandatory coverage of workers in State hospitals and institutions of higher education under the Federal-State UI system will perhaps encourage further State action. Hopefully, many State legislatures will promptly extend UI coverage to other State employees and to local government workers.

While the estimated 1.8 million *private household workers* in the country would certainly benefit from unemployment insurance, only two States, New York and Hawaii, now cover these workers. The successful programs in these two States indicate that barriers to coverage are surmountable and that coverage can and should be provided in other States.

Benefit Adequacy

The goal of the unemployment insurance system has been to compensate the great majority of unemployed workers for at least 50 percent of their wage loss. The benefit amount is, however, subject to a maximum written into State laws. While wages have risen considerably in the three decades of the unemployment insurance program, benefit maximums have risen much more slowly, with the result that for many workers UI benefits now represent less than 50 percent of their previous wages.

In 1939, the benefit maximum was 50 percent or more of the average wage in all but two States, and only 27 percent of all beneficiaries were prevented by the maximum from receiving an amount equal to half their usual wages. In early 1970, however, the maximum was as high as 50 percent of average wages in only 23 States, and almost half of all beneficiaries were limited to the benefit maximums instead of receiving benefits proportionate to their weekly wages.

When submitting the Administration's proposals to the Congress, the President said that ". . . it is essential that the benefit maximum be raised. A maximum of two-thirds of the average wage in the State would result in benefits of 50 percent of wages to at least 80 percent of insured workers." He called upon the States to act promptly to avoid the need for Federal action.

In the year following the President's request, benefit levels were raised in 37 States, but in no case to the level requested. Only one State (Hawaii) has a benefit maximum equal to the standard called for by the President.

Toward Equal Employment Opportunity

The Council of Economic Advisers has estimated that race discrimination reduces the gross national product by about 2½ percent annually. Thus the total cost of discrimination in employment in the United States probably amounted to over $24 billion in 1970. The waste—which shows up both in disproportionately high rates of unemployment among minority groups and in underutilization of employed minority workers—is difficult to measure in dollar costs but unquestionably reduces the productivity and purchasing power of a sizable segment of the labor force.

Undoubtedly many adults—and their families—are on welfare rolls, not because they lack either the ability or the will to work but because their skin color or their native language bars the way to employment. And unarguably, much of the social unrest that erupted in Watts and later spread to other ghetto areas is, at base, an angry reaction to discrimination in employment.

Progress toward equal employment opportunity for the Nation's minorities was a major goal of Government action during 1970. The programs of manpower training and related services already described consistently serve poor Negroes and members of other minorities in large numbers. And a variety of administrative efforts were carried on under the Civil Rights Act of 1964, related legislation, and a series of Executive orders, which proscribe discrimination in employment on the basis of race, color, sex, age, religion, or national origin.[35] The translation of these proscriptions into the reality of employment opportunity based on abilities and skills requires unflagging and imaginative effort. In view of the concentration of minorities among the poor in the labor force, equal employment opportunity programs are an important element of an active manpower policy aimed at alleviating poverty.

ACTIVITIES FOR ALL MINORITIES

The Equal Employment Opportunity Commission, established by title VII of the Civil Rights Act of 1964, strives to end discrimination in hiring and firing—and also in wages, working conditions, promotional opportunities, and training—by employers, unions, employment agencies, and training sponsors. The Commission works through investigation, conciliation, and persuasion—for the benefit of Negroes, Indians, Spanish Americans, and other ethnic minority groups, as well as women.[36]

The EEOC completed about 5,000 investigations during fiscal 1969 (the last year for which data are available), a 43-percent increase over 1968. In addition, 774 conciliations were completed, up by 21 percent from the previous year. Less than half the conciliation efforts were deemed successful, but those that were benefited about 30,000 persons. Conciliation benefits often include payment of back wages, totaling $2.8 million in 1969.

A point of emphasis for the Commission in 1970 was initiating new procedures for coping with the growing backlog of cases, which amounted to some 8,600 at the beginning of the year. Settlement may now be undertaken immediately following investigation and the issuance of findings of fact, without waiting for formal decisions by the Commission. About 700 of 1,800 charges have been disposed of through this shortcut procedure. Despite a continuing increase in the volume of new charges, the agency expects to be able soon to reduce average processing time from 20 to 6 months.

A highlight of EEOC 1970 activities was an areawide investigation of discriminatory employment practices in Houston. This city was selected for the third in a series of annual investigations of major metropolitan areas in view of its rapid growth and sizable Negro and Spanish-speaking populations. Following public hearings, over a period of several months a task force investigated 179 charges of class action discrimination (class actions are brought on behalf of groups of workers rather than individuals) against 112 companies, unions, and apprenticeship programs. Added to the 80 charges already under investigation at the time of the hearings, these EEOC activities should

[35] For more information about the problems and activities discussed in this section, see *1970 Manpower Report*, p. 89 ff.

[36] The EEOC was established by and draws its authority from title VII of the Civil Rights Act of 1964, which applies to employers of 25 or more workers and unions with 25 or more members. Proposed legislation to give the agency powers to issue cease-and-desist orders and to bring violators to the court has been repeatedly introduced in the Congress. Such legislation again failed of passage in 1970 and has been resubmitted to the 92d Congress.

have a significant impact on area employment practices and patterns.

The EEOC encourages voluntary compliance and aids employers and unions seeking to achieve it. During 1970 educational programs were developed in cooperation with civic, religious, trade, and professional associations, and visits were made to new and expanding firms to advise them on ways of complying with title VII of the Civil Rights Act. In addition, the Talent Search Service referred 1,500 minority group applicants for professional and administrative positions to 320 firms requesting such assistance.

Although the Commission lacks the power of enforcement through the courts, its legal division has an important job to do on several fronts. It holds discussions with and supplies supporting factual information to the Department of Justice, which can bring suit under title VII if conciliation efforts have failed and the case involves a pattern of discrimination which affects the public interest. The division also advises persons bringing charges of their right to maintain a civil action to compel compliance and intervenes in those actions as amicus curiae (friend of the court).

Altogether, more than 400 title VII cases have been litigated in Federal courts since 1965. In the 14 months ending with December 1970, the Justice Department prosecuted almost as many suits alleging discrimination in employment as were brought in the first 4½ years after title VII became effective.

Still another EEOC approach to identifying and overcoming discrimination is the State Liaison Program, through which the Commission gives financial assistance to State and local antidiscrimination agencies in enforcing State and local laws. As a result of investigations by 40 of these agencies, 85 employers voluntarily signed affirmative action plans in 1970 to change hiring and recruitment activities. In these companies the rate of hiring of minorities has gone up from 8 to 26 percent.

The *Office of Equal Employment Opportunity* in the Department of Labor is responsible for insuring that the national policy of equal opportunity is observed and promoted in all manpower activities under the Department's aegis.[37] Its field of concern extends to the Federal-State employment service system, as the main supplier of manpower services, to the work and training programs administered by the Department, to registered apprenticeship programs, and to research and demonstration projects.

Compliance reviews of employment service operations and investigations of complaints have uncovered many discriminatory practices not only in job referrals but also in aptitude testing and even in use of physical facilities. A paucity of minority representation has been found on the staffs of many offices, and instances have been noted of discourteous treatment of minorities and inadequate staff training regarding civil rights. If agency staffs are to exemplify and encourage equal opportunity in the communities they serve, their composition and demeanor should serve as a model.

Between 1967 and 1969, the proportion of minority group members in all employment service positions rose from 12 to 14 percent, still seriously below minority proportions in the total population. Moreover, minorities are especially poorly represented in the middle- and upper-level jobs in most State agencies. As a corrective measure, the Manpower Administration, in the spring of 1970, adopted a policy calling for matching the minority group composition of local staffs with local population patterns. This matching is to apply not only overall but to all categories of jobs.

Recognizing that this policy could not be carried out overnight, the Manpower Administration asked each State agency to develop a 2-year plan of action for State and local staffs, translating policy into specific goals and timetables. During fiscal 1971 and 1972, about a third of all hires and promotions must involve minority group members if the goal is to be realized.

The Office of Equal Employment Opportunity has discovered that such factors as inappropriate testing procedures and recruitment methods contribute to the poor showing of employment security agencies. State merit staffing procedures are also often a bar to hiring and upgrading minority members. The Office works continuously with State agencies to eliminate discriminatory practices and make needed changes. For example, as a result of an evaluation of the Nevada Employment Security Department, the Nevada State Personnel Division created a study group to explore minority staffing on a statewide basis. An indepth review is being made of minimum qualifications, testing procedures, and the selection process now in use.

In 1970, compliance reviews were conducted on

[37] Title VI of the Civil Rights Act of 1964 specifically prohibits discrimination on the basis of race, color, or national origin in programs receiving Federal financial assistance.

a priority basis in Southwest areas where Spanish Americans and Indians are numerous and have severe job problems. Other 1970 activities of the Office aimed at bolstering opportunities for minorities included soliciting research proposals from Negro colleges and formation of a task force to revise the *Employment Security Manual* to tighten procedures governing equal employment opportunity.

In mid-1970 many of the responsibilities of the national office for insuring equal opportunity in programs administered by the Department were transferred to the 10 regional offices. There the EEO unit works directly under the Regional Manpower Administrator on such major functions as compliance reviews, complaint investigations, and negotiations for corrective actions, as well as on efforts to obtain voluntary compliance. Functions remaining in the national office are policy development, the setting of procedural guidelines, and provision of technical assistance, staff training, and monitoring. Training sessions have already been conducted for the professional staff in six regions regarding their new responsibilities for implementing civil rights laws and regulations. Similar sessions are planned for the other regions.

The *Office of Federal Contract Compliance*, also in the Department of Labor, is charged with enforcement of the Executive orders which prohibit discrimination on the basis of race, creed, sex, color, or national origin by any firm with a contract of $10,000 or more from the Federal Government. These contractors and subcontractors include most large companies and account for about a third of all employment in the country.

According to OFCC rules, contractors must develop plans of affirmative action for arriving at nondiscriminatory employment patterns. Early in 1970 these rules were strengthened by a new requirement that specific goals and timetables must be part of the action plan whenever there is underutilization of minority workers.

Since some 225,000 contractors and subcontractors are involved in Federal Government work, comprehensive and thorough review and monitoring is a practical impossibility. However, the 15 Federal agencies awarding contracts routinely conduct compliance reviews—6,500 of them in 1970—while the OFCC follows up with indepth, onsite reviews in industries and areas where it appears that extra efforts are needed. The OFCC made 38 of these compliance reviews in 1970 (in industries and areas selected partly on the basis of a computer analysis of industry data on employment patterns).

Continuing the previous year's emphasis on increasing minority participation in federally financed construction, a model construction compliance plan was issued early in 1970 to assist the many communities interested in developing voluntary affirmative plans of action. A task force was established to aid OFCC area coordinators (attached to the 10 regional offices) during the season of peak construction activity in giving technical assistance in union-management-minority group negotiations to arrive at "hometown solutions." Sixteen of these had been achieved by November.[38]

In two cities—Philadelphia and Washington—the OFCC has had to impose a plan of action, in the absence of tripartite agreement regarding increased employment of minorities on Government projects. The original Philadelphia Plan,[39] announced in 1969, has been strengthened by adding timetables for reaching the specified goals and by extending coverage to private work done by Federal contractors. This latter provision (also applicable to Washington) is a safeguard against evasion by switching of minority workers from private to public construction projects. In Seattle, court action to stop discrimination and impose goals and timetables has been necessary.

Voluntary agreement is both the more likely and the more desirable solution, however. At the year's end, construction compliance plans were being negotiated in 75 additional cities with technical assistance from the OFCC.

A recent effort to open union membership to minorities is the Manpower Administration's Journeyman Training Program, which usually operates as an adjunct to "hometown solutions" generated by the OFCC. Generally, nonprofit corporations set up for the purpose operate these projects. Experienced construction workers are recruited, evaluated, and placed as journeymen with appropriate unions, while less skilled workers are

[38] The "hometown solutions" were arrived at in Boston, Chicago, Denver, Detroit, Indianapolis, Kansas City, Little Rock, Los Angeles, New Orleans, Phoenix, Pittsburgh, Providence, Rochester, Santa Clara, St. Louis, and Tucson.

[39] For a detailed account of the original Philadelphia Plan, see *1970 Manpower Report*, pp. 97–98.

accorded advanced trainee status and provided with skill training and basic education directed toward journeyman status. The projects serve both unskilled, inexperienced persons who require considerable help to become apprenticeable and those who can qualify as apprentices with only minor assistance. While only 14 journeyman training contracts had been signed by the end of 1970, proposals were being readied by local groups in many other cities. However, these projects are proving somewhat difficult to negotiate and operate since labor, management, and the minority community must coalesce on a common goal.

In connection with its regular program of apprenticeship promotion, the Department of Labor's *Bureau of Apprenticeship and Training* assists in the placement of minority workers. During fiscal 1970, 8,400 were placed in registered apprenticeships, about 11 percent of all new registrations. Included were 1,700 placements through Apprenticeship Information Centers, a network of 36 centralized offices where information, counseling, and referral to apprenticeships are available. State employment security agencies operate the centers in cooperation with the Bureau. The centers make a special effort to serve minority youth who, in fiscal 1970, made up 31 percent of referrals and 21 percent of placements. Factors which contributed to the lag in placements of minorities were the substantial cutback in Federal expenditures on construction and the decline in construction activity, prior to the upturn in residential building in late 1970.

The Bureau has for some years provided technical and monitoring services to still another effort to channel minority youth into skilled construction trades, the Apprenticeship Outreach Program sponsored by the AFL–CIO and cooperating employers. Outreach projects are run by the National Urban League, by the Workers Defense League, by Building and Construction Trades Councils, and by minority group organizations in seven communities. Fifty-eight of these projects were operating at the end of 1969; by late 1970 the number had grown to 81. The number of minority youth—mostly Negroes—placed in apprenticeship as a result of the program's recruitment, special tutoring, and counseling advanced from more than 5,000 by the end of fiscal 1969 to 6,900 through fiscal 1970.

ACCENT ON OLDER WORKERS

Discrimination in employment on account of age (40 to 65 years) is prohibited by the Age Discrimination in Employment Act of 1967. Administrative responsibility for protecting more than 45 million middle-aged and older workers from the same discriminatory patterns that face ethnic minorities is lodged with the Wage and Hour Division of the Department of Labor.

The Wage and Hour Division relies mainly on informal conciliation, conference, and persuasion in accomplishing the purposes of the act and has therefore expended much effort in educating and informing employers and obtaining pledges to eliminate age discrimination. Factfinding activities have uncovered much illegal advertising by employers and employment agencies, as well as refusals to refer or hire older workers.

Conciliation efforts have been generally fruitful, and arbitrary age barriers have been removed in an estimated half-million jobs. A recent step-up in the drive against illegal advertising has been announced.[40]

PROTECTION FOR WOMEN

Like older workers and racial minorities, women are frequently barred from jobs and even more frequently from promotion. Such discrimination persists despite Federal and State legislation outlawing discrimination in employment on the basis of sex.[41]

Highlighting recent efforts of the Federal Government to help women achieve equal employment opportunity are the guidelines on sex discrimination issued by the Department of Labor under the Executive orders barring discrimination by Federal contractors and subcontractors on federally assisted construction (as discussed earlier in this section). Contractors must have written personnel policies insuring nondiscrimination, and collective bargaining agreements must be consistent with the guidelines. Other specific prohibitions apply to separate seniority rosters for men and

[40] For more detail about 1970 activities under the Age Discrimination in Employment Act, see the Report to Congress, *Age Discrimination in Employment Act of 1967*, Department of Labor, 1971.

[41] For a discussion of problems of women in achieving equal employment opportunity, see *1970 Manpower Report*, pp. 106–107, 111–112, and 185–189.

women, discrimination based on a woman's marital or childbearing status, and separate columns of "help-wanted" ads for men and women in newspapers (except for bona fide reasons related to the nature of the work involved).

The Equal Employment Opportunity Commission reports that complaints based on sex discrimination rose somewhat between fiscal 1969 and 1970 and made up one-fifth of all complaints received. Activity on behalf of equal pay for women was also brisk in 1970. The Wage and Hour Division, which administers the Equal Pay Act of 1963, reports that women represented nearly all of the claimants for the more than $25 million due through 1970 because of violations of the law.[42]

"Protective" legislation limiting women's hours of work is also viewed by many as an undesirable bar to women's employment. In 1970 a number of State attorneys general held, with the approval of the Equal Employment Opportunity Commission, that State laws governing hours of work for women were superseded by title VII of the Civil Rights Act and would not be enforced.

The Women's Bureau of the Department of Labor, in its constant effort to promote and protect the interests of working women, selected five groups of disadvantaged women for special attention during 1970. Activities were initiated on behalf of black, American Indian, Spanish-speaking, young, and poor Appalachian women, and liaison was established with other agencies to help these groups.

PROGRAMS FOR SPANISH AMERICANS

More than 10 million Spanish Americans constitute the Nation's second largest minority group. About 7 million are Mexican Americans, concentrated in California, Arizona, Colorado, New Mexico, and Texas. Another 1.5 million are Puerto Ricans, living mainly in the Northeast, especially in New York City, but with a significant number also in the Great Lakes area. It is estimated that more than 500,000 Cubans have entered the country since 1959; they live mainly on the East Coast—with the heaviest concentration in the Miami area, where nearly a third of the city's population is now Cuban. In addition, there are perhaps 1.5 million persons from other Latin countries spread throughout the United States.

While national data on the labor force status of Spanish Americans are not gathered regularly, surveys of urban areas have uncovered shockingly high unemployment rates for Puerto Ricans and Mexican Americans.[43] It is believed that most Cuban refugees have jobs, although these are often low paying and unskilled. As the Cubans learn English, they have a better chance at jobs using the skills many of them brought to this country.

Recognizing the special difficulties of the Spanish-speaking minority, the Congress in 1969 created a Cabinet Committee on Opportunities for Spanish Speaking People ". . . to advise Federal departments and agencies on the development and implementation of comprehensive and coordinated policies, plans and programs focusing on the special problems and needs of the Spanish-speaking and Spanish-surnamed Americans." The Committee is comprised of the heads of 10 Federal agencies, the member of the Equal Employment Opportunity Commission most concerned with the Spanish-speaking, and a chairman appointed by the President.

A significant activity of the Committee has been to insure the inclusion in the 1970 census of questions which for the first time will yield needed, definitive information about the size, nature, and problems of the Spanish-speaking population. Committee staff have also worked with the Department of Labor to promote greater and more effective participation of this minority group in manpower programs.

All of the training and work-experience programs administered by the Department of Labor enroll Spanish Americans—well over 150,000 altogether in fiscal 1970. They constituted 15 percent of all new enrollees and were concentrated in the NYC in-school and summer programs (65,000), in the CEP's (23,000), in WIN (18,000), and in the MDTA institutional program (17,000). The Job Corps enrolled about 3,500 Spanish-surnamed youth in late 1970—Mexican Americans in the Southwest and Puerto Ricans at two centers on the island and various centers on the mainland.

A long-standing program funded by the Department of Labor is SER (Service, Employment,

[42] For an evaluation of the act, see the Report to Congress, *Minimum Wage and Maximum Hours Standards under the Fair Labor Standards Act*, Department of Labor, 1971, p. 61 ff.

[43] See *1970 Manpower Report*, pp. 100 ff.

and Redevelopment), established in 1966 and run by Mexican Americans in the Southwest. In mid-1970, 22 SER projects were operating in five States where there are large numbers of disadvantaged Mexican Americans. SER staff provide prevocational language training and counseling to unskilled, unemployed Mexican Americans and refer some of them to skill training in centers administered by State departments of vocational education. Job placement and followup services are also provided. In fiscal 1971 about 7,000 persons are expected to be served, of whom perhaps 1,700 will be enrolled in skill training.

A demonstration project, Basic Occupational Language Training, has developed and tested a program of English literacy training for Puerto Rican workers in New York over a period of a year and a half. The test group included 175 workers in varied business and public service enterprises in five occupational areas. It was found that improvement in language capability did occur, even among workers as old as 40 and 50, and that the improvement contributed significantly to job retention and upgrading. The project is in a second phase of refinement and fuller documentation to make possible use of the new training techniques with other Spanish-speaking groups.

More than 800 Spanish-speaking interviewers and counselors work in local public employment offices, and some State agencies have printed informational materials in Spanish. A Spanish version of the General Aptitude Test Battery was developed in Puerto Rico and has been successfully used in the continental United States with Puerto Ricans and Cubans. Because of dialect differences, this version cannot be used with Mexican Americans, but work is in progress on a nonreading aptitude test battery for them.

A task force of Spanish-speaking manpower experts was convened by the Department of Labor during 1970 to study the critical employment and employment-related needs of the Spanish-speaking community. Their report, submitted at the end of the year, recommended that a policy be enunciated committing the Nation to the achievement of maximum employability for the millions of Spanish-speaking Americans. A comprehensive program was urged—one that would include intensive research, development of long-range policy goals, organizational procedures which fully recognize the language barriers involved, and the addition of staff resources devoted specifically to alleviating the employment problems of Spanish Americans. A 5-year plan would earmark funds for the program and emphasize delivery of manpower services at the local level through ongoing manpower programs. The effectiveness of current efforts for Spanish-speaking people is inhibited, in the task force's view, by a pervasive lack of understanding of their group's special problems.

ACTIVITIES FOR INDIANS AND ALASKA NATIVES

The economic deprivation of American Indians is well known. In his 1970 message to the Congress stating new policies and goals for American Indians, the President pointed out that their overall unemployment rate is 10 times the national average and as high as 80 percent on some of the poorest reservations. In addition, 80 percent of the 462,000 reservation Indians have annual incomes below the poverty line—averaging only $1,500 per family. Along with high unemployment and poverty, Indians suffer associated handicaps of poor diet and health, lack of education and facility with English, and lack of job skills.

While many Indians have left the reservations—some authorities estimate that the majority are now living in cities and towns—this has not been a sure escape from poverty. Estimates are that three-fourths of the Indians in urban areas are also poor. And the strain of adjusting to an alien environment has driven many to return to reservations.

The President's message presented a new Indian doctrine, breaking with past thinking on Indian-Federal relationships. In place of a policy looking toward eventual termination of the trusteeship relation, with interim paternalism, the President posed the goal of Indian independence from Federal control without loss of Federal concern and support. The key provision of the legislation he proposed would allow Indians to assume responsibility for all or parts of government service programs without the loss of Federal financial support. Such legislation, he said, ". . . would directly channel more money into Indian communities, since Indians themselves would be administering programs and drawing salaries which

now go to non-Indian administrators." [44] He cited the success of programs funded by the Office of Economic Opportunity which for over 4 years have been operated under the control of local Indian organizations.

An instance of the new policy in practice is the joint agreement between the Office of Economic Opportunity and the Department of Health, Education, and Welfare—with cooperation from the Departments of Labor, Housing and Urban Development, and Commerce—to support seven Indian centers in major cities. These urban centers will act as links between ongoing Federal, State, and local service programs and urban Indians. The Bureau of Indian Affairs expects to contract with these centers to obtain relocation services for reservation Indians who are making the transition to urban life and employment.

The Department of Labor has approached the goal of more and better training and employment opportunities for American Indians in a variety of ways during the past year, following the President's policy emphasis. For example, the employment services in States with large Indian populations have been encouraged to recruit more Indian staff members; at the end of 1970, the whole Federal-State employment service system had only 100 Indians on the staff, all of whom had been hired since 1967. The Job Corps during 1970 signed its first contract for a center to be managed and operated exclusively by and for Indians. In the Operation Mainstream program, 14 contracts were signed with tribal councils or Indian leagues.

Another innovative project is an MDTA training program in aquaculture run as a Lummi tribal enterprise in the State of Washington. In August 1970 this project completed its first year, having trained 21 Lummi Indians. The project establishes commercial fish and shellfish production ponds in the Lummi tidelands. With interagency sponsorship (OEO, BIA, and the Economic Development Administration are cooperating), project plans call for an eventual work force of 600 on the aquafarm and for additional activities such as harvesting seaweed and performing water quality studies. A new training project for up to 100 Indians began in September.

Nearly 24,000 Indians were enrolled in manpower programs in fiscal 1970. They represented over 2 percent of all first-time enrollees, compared with an Indian representation of less than one-half of 1 percent in the total population. In the largely rural Operation Mainstream program, 9 percent of the enrollees were Indians. Rural CEP's in Arizona, New Mexico, Minnesota, Montana, North Carolina, Wisconsin, and Michigan also enroll relatively large numbers of Indians.

The Office of Economic Opportunity has a mandate to undertake programs that will contribute to family and community self-sufficiency for Indians. During fiscal 1970, $17 million in OEO funds supported community development projects on reservations in 23 States. In addition, two programs funded by the OEO in fiscal 1970 will result in graduate degrees and professional status for 190 Indian students. One of the programs is for school administrators, the other for lawyers.

The manpower needs of a small minority in a remote part of the country—the Eskimos, Indians, and Aleuts in Alaska—are sharing the spotlight turned on the State by the recent discovery of oil. The new industry is expected to generate many skilled jobs, and efforts are underway to prepare seriously disadvantaged natives for some of these jobs. The State employment security agency is sending mobile teams to scattered villages near projected oil drillings and the proposed pipeline to assess the local labor supply and training needs. Already, in the summer of 1970, a training program for jobs in the oil industry was being conducted at the Indian school at Mt. Edgecomb.

A variety of manpower programs are underway in Alaska. One is a statewide on-the-job training project, run by the Alaska Federation of Natives, involving some 200 trainees. Using the self-help techniques developed in the Opportunities Industrialization Center in Philadelphia, native staff operating from Anchorage are reaching out to many of the 200 native villages to recruit, train, and otherwise aid the trainees, and finally place them in jobs. At the MDTA multioccupation training center in Seward, about 60 percent of the trainees are Alaska natives. An on-the-job training project under MDTA serves 230 trainees, half of them natives. Also, a New Careers program has opened 25 jobs in several State government departments, primarily for teacher aides in native villages.

[44] "The President's Message to the Congress on New Policies and Goals for American Indians," as reported in *Indian Record* (Washington: Department of the Interior, Bureau of Indian Affairs, August 1970), p. 5. Programs for Indians are costing over $400 million annually in Federal funds.

During 1970 an MDTA contract with the Alaska Village Corporation provided training in the operation of diesel engines to two natives in each of several villages. Finally, Project Hire, a joint endeavor by the Departments of Defense, Labor, and the Interior and the Civil Service Commission, provides 200 trainee openings for natives annually on military posts. Although small, these programs are varied and widespread. Together. they should have significant impact in opening opportunities for Alaska's native population.

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WHERE TO GET MORE INFORMATION

For more information on manpower programs and services in your area, contact your Regional Manpower Administrator at the address listed below or the nearest office of your State employment service.

Location	States Served		
John F. Kennedy Federal Bldg. Boston, Mass. 02203	Connecticut New Hampshire	Maine Rhode Island	Massachusetts Vermont
341 Ninth Avenue New York, N.Y. 10001	New Jersey Virgin Islands	New York	Puerto Rico
P. O. Box 8796 Philadelphia, Pa. 19191	Delaware Virginia	Maryland West Virginia	Pennsylvania
D.C. Manpower Administrator 14th and E Streets, NW. Washington, D.C. 20004	District of Columbia		
1371 Peachtree Street, NE. Atlanta, Ga. 30309	Alabama Kentucky South Carolina	Florida Mississippi Tennessee	Georgia North Carolina
219 South Dearborn Street Chicago, Ill. 60604	Illinois Minnesota	Indiana Ohio	Michigan Wisconsin
1110 Commerce St., Rm. 6B7 Dallas, Tex. 75202	Arkansas Oklahoma	Louisiana Texas	New Mexico
911 Walnut Street Kansas City, Mo. 64106	Iowa Nebraska	Kansas	Missouri
Federal Office Bldg. 1961 Stout Street Denver, Colo. 80202	Colorado South Dakota	Montana Utah	North Dakota Wyoming
450 Golden Gate Avenue San Francisco, Calif. 94102	Arizona Nevada Trust Territories	California American Samoa	Hawaii Guam
Arcade Plaza 1321 Second Avenue Seattle, Wash. 98101	Alaska Washington	Idaho	Oregon